

F O R U M

ANCILLA SYSTEMS

Housing for Low-Income Elderly

In the late 1980s, as part of a strategic commitment to develop services for the elderly, Ancilla Systems, Hobart, IN, decided to devote resources and personnel to develop senior housing. The commitment demanded that the system realistically assess what it could do in this area and the risks it would be willing to take.

Monica Sofranko, Ancilla's vice president of older adult and support services, says the system initially looked at market rate housing such as retirement centers with full-service housekeeping. "But we concluded there was too much risk in that kind of market," she notes, "especially for an organization taking its first step in housing." Ancilla eventually decided a more realistic approach would be to apply for funding under the Department of Housing and Urban Development (HUD) 202 program, which supports housing construction for the elderly and the disabled.

In October 1991 construction began on Ancilla's first such project—the Linden House at St. Elizabeth's, a \$6.5 million, 100-unit residence in

Chicago's West Town area. The Linden House, which is located adjacent to Ancilla affiliate St. Elizabeth's



Hospital, will be only the second HUD residence for seniors built in the area in the past 20 years.

Committing to the process of applying for funding did involve some risks, according to Sofranko. "The housing sponsor is responsible for all costs incurred up until the point HUD approves and the deal is closed," she says. "At that time, HUD reimburses for 'allowable costs' such as architect's fees, land surveys, and soil tests." In some cases, a sponsor's costs will exceed HUD reimbursement, Sofranko adds. To keep such costs down, it is important to assemble a team of professionals experienced with HUD contracts before beginning the process.

Sofranko anticipates that the Linden House will begin accepting residents some time in November, about three months ahead of schedule. Ancilla al-

ready has a list of more than 400 persons interested in the 99 one-bedroom apartments that will be available.

Residents must be at least 62 years old with an income limit of \$14,400 for single persons and \$15,800 for couples. They will pay no more than 30 percent of their income for rent and utilities, with HUD making up the

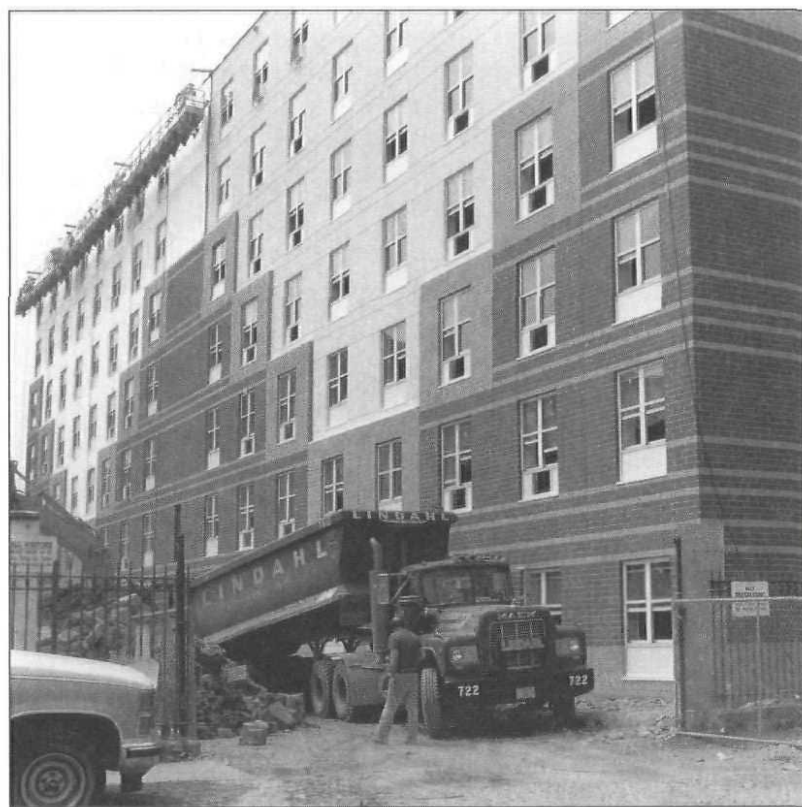
difference. HUD puts a cap on the allowable rent that building managers can charge, Sofranko explains, but this covers mortgage costs and operating expenses.

The task of securing the loan for the Linden House was eased somewhat by the fact that Ancilla already had a HUD housing fund reservation. However, to receive the funds, the system had to break ground on the project within eight months. "With the short time frame," Sofranko says, "if we

had not had an architect with HUD 202 experience, we would never have gotten through."

The architect agreed in advance to accept the fee that HUD would allow (which turned out to be less than Ancilla had anticipated). "We also chose a contractor with extensive experience in building HUD 202 projects," Sofranko notes. And the local alderman, a strong supporter of the project, helped Ancilla get the property rezoned and obtain building

Ancilla leaders anticipate that the Linden House will be ready to accept residents some time in November 1992.



permits, which in Chicago can often be a painfully slow process.

Two factors made HUD receptive to the proposal, Sofranko says. One was the community's obvious need for such a structure; the other was Ancilla's ability to ensure the Linden House tenants will receive services that allow them to "age in place." Residents will have access to Ancilla Home Health, a Medicare-certified agency that provides nursing, therapy, and medical social services. "There will also be a part-time case manager/social worker who will identify residents' needs," Sofranko says. "That person will be their link to St. Elizabeth's for services like health education programs and blood pressure screenings."

The hospital is also a site for home-delivered and congregate meals paid for by the state and the city, and it will make its food service available to the Linden House residents. In addition, a downstairs community room at the residence is large enough to be a congregate meal site, should the area agency on aging designate it as such.

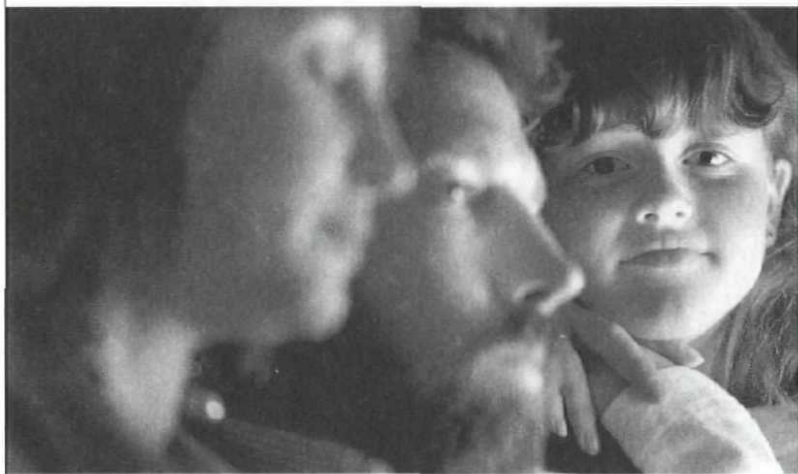
Although HUD did not explicitly require proof of such support services when Ancilla applied for funding, it does so now. And Sofranko finds this encouraging. "To me, the new HUD requirement for a supportive

services plan means that a government entity is focusing on many of the same issues that we've been occupied with over the years. It suggests that those shaping a health-care reform policy might focus on them as well."

As federal funds grow more scarce, however, organizations applying for HUD allocations can anticipate a tedious, frustrating process, Sofranko warns. In July, Ancilla completed its third application for funding for a structure in Gary, IN. "Anyone looking to begin this process should be prepared for a four- to five-year wait from the first application you submit until you have a building ready to occupy," she says. In Indiana last year nine dollars were requested for every dollar funded.

Despite these difficulties, Sofranko believes healthcare systems are well positioned to secure HUD 202 funding. "With HUD requiring plans for supportive services, healthcare providers should be ahead of the curve in receiving allocations," she says. But she adds that a system must be prepared to dedicate the resources it takes to get into this field. "Housing is a separate area of expertise," Sofranko says, "and those working with HUD must master a whole new set of regulations that have nothing to do with healthcare."

In the second decade of the epidemic



AIDS: HOW IT'S CHANGED US

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A mere 13 years ago, no one in this country had heard of AIDS. Today, with one out of every 250 persons in the U.S. infected with the AIDS virus, the disease affects all of us.

We invite persons in the Catholic healthcare and social services ministries to submit photographs of the many aspects of HIV/AIDS. CHA members, NCAN members, Catholic Charities, and others in Catholic-sponsored or cosponsored HIV/AIDS ministries—and photographers for those organizations—are invited to submit photographs.

"AIDS: How It's Changed Us" will be a national collection of photographs that help eliminate stereotypes and present a broad view of the disease.

CONTEST DEADLINE: MARCH 1, 1993

For information and entry forms contact Suzy Farren at the Catholic Health Association, 314-427-2500, or Rodney DeMartini, SM, at the National Catholic AIDS Network, 415-565-3613.