

Creating Housing for Extremely Low Income Residents:

Profiling National Housing Trust Fund Developments

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Community Change is proud to share the third case study in our series showcasing model construction projects across the country that were made possible in part by funds from the national Housing Trust Fund (HTF). The HTF is a federal grant program authorized by the Housing and Economic Recovery Act of 2008 to increase and preserve affordable housing for people with the lowest incomes, including families experiencing homelessness.

Funding for the HTF is essential for ensuring people with the lowest incomes have safe and affordable housing. The funds from the HTF must be used to house “extremely low income families” – those with incomes at or below the poverty line or at or below 30% of the area median income. In any fiscal year where the HTF receives just over \$1 billion in allocated funds, eligibility may be expanded to serve tenants with incomes at or below 50% of the area median income (“very low-income tenants”), provided that at least 75% of the funds must still be used to target extremely low-income tenants. National Housing Trust Fund assisted homes and apartments must remain affordable at these income levels for at least 30 years.

The U.S. Department of Housing and Urban Development distributes HTF allocations to states and territories by a formula based on population. State housing departments or state Housing Finance Agencies administer the HTF, providing financing for the production and preservation of housing. State Housing Finance Agencies are state-chartered non-profit organizations that are governed by a board of directors. Click the link to view national Housing Trust Fund allocations by [state](#) from 2016-2022. For an overview of affordable housing needs at the state level, see [data](#) compiled by the National Low Income Housing Coalition.

Wright Street

"I like the support I get [living here] and creating new bonds with staff. And not having a roommate."

- Luna, Age 30, Wright Street Resident

"I like creating my own art and toy cities in my bedroom."

-George, age 44, Wright Street resident

Luna and George live at a residence known as the "Wright Street" home in Rapid City, South Dakota. Wright Street is an affordable behavioral health residential facility for people with an intellectual or developmental disability. Here, tenants like Luna and George receive the support they need and the privacy they desire in a home run by an agency that prides itself in connecting residents to activities that enrich their lives.

The Property

Wright Street is a new construction project developed by Black Hills Works, which owns and operates 30 local residential properties that serve over 600 people with intellectual and developmental disabilities, including the provision of wraparound support services. At the beginning of the development process, Black Hills Works staff searched for empty lots that met three key criteria. First, the lot had to meet South Dakota National Housing Trust Fund program requirements, which focus on proximity to public transportation, grocery stores, medical services and other criteria. (1) Second, the lot had to be large enough to build a single-story structure to accommodate residents with different mobility abilities and to avoid requiring an elevator. And third, the lot would ideally be located near other Black Hills Works residences, which is helpful for staffing purposes.



Wright Street during the construction process, photo courtesy of Black Hills Works.

(1) <https://www.sdhda.org/images/docu/housing-development/2022-23-HTF-Allocation-Plan-Final.pdf> page 21-22.

Initially, staff planned for Wright Street to serve the general Black Hills Works network of people with disabilities in need of affordable housing. However, the

team pivoted to create a behavioral health community program when the only psychiatric hospital in Rapid City announced it would no longer accept patients suffering from a mental illness who also had an intellectual disability. This decision exacerbated the housing and mental healthcare crisis in Rapid City, which Black



The completed Wright Street home, photo courtesy of Black Hills Works.

Hills Works leadership recognized the Wright Street project could help to alleviate. As the project shifted, staff prepared to receive tenants who required behavioral health support, often coupled with other medical needs. Although the number of apartments would not change, leadership considered the higher staffing costs and the potential for more staff turnover that often occurs within behavioral health communities as they moved forward with the project.

The property was built by Guthrie Construction. It has six one-bedroom apartments, each equipped with a kitchen, bathroom, and living room. Generous private donations helped Black Hills Works acquire new furniture, TVs, and appliances for the apartments. The building has large windows and comfortable lounging chairs to promote a welcoming setting with natural light.

Units	Target Group (At 30% AMI or below)
6	Residents with intellectual disabilities and behavioral disorders referred through case manager and/or a mental health institution

Throughout the property, residents can also enjoy soft glowing lights and ceiling sky projectors, which aim to create a serene setting. The common areas feature neutral colors and patterns that foster a calm therapeutic environment, while safety and functionality remain a top priority. Visit this [link](#) for a short video tour of the property.

The Residents

Maria, a thirty-year-old resident who lives in one of the modestly sized apartment units, says her favorite thing about living at Wright Street is that her apartment is big and has lots of space. “Where would you be if you weren’t living here?” a staff member asked Maria. “Redfield,” she replied.

Most residents previously lived 300 miles away at “Redfield,” the state facility for people with intellectual and developmental disabilities. The South Dakota Developmental Center located in Redfield is home to people with disabilities for whom there are limited community options for affordable housing coupled with supportive services. When residents arrive at the Wright Street home, they are often coping with post-traumatic stress disorder, partially as a result of having been institutionalized, removed from family, or in social isolation. Some residents have a history of self-injurious behaviors and require additional support, especially when transitioning to their new living spaces.

For example, James, a twenty-eight-year-old resident with cerebral palsy who recently moved to Wright Street, had lived in either a group home or institutional setting since the age of 12. James was accustomed to staying in his room, preferring to be left alone in his wheelchair. At first, taking James to a doctor’s appointment involved several Wright Street staff, with the main goal of keeping him safe from self-harm. On one occasion James refused to exit the minivan after his appointment, staying in the vehicle for over six hours, under the watchful eye of staff. Staff worked on developing trust with James. They learned sign language and assured James he would get fresh air every day, a big motivation for James. Today, James walks out of his room daily wearing tailored leg braces, goes to restaurants on occasion, visits the doctor regularly, and soon should have a communication device as part of his ongoing speech therapy. “Even in his most difficult hours, he is very, very lovable,” says Alicia, the Program Coordinator for Behavioral Health. “He calls me mom, so that’s pretty cool,” she adds.

Staff continue to support Maria, James, and other residents with various needs. But most of all staff are glad residents have a community-based home that is affordable, where they can socialize and make friends.

“It’s a Big Deal to Get Housing”: The Staff

“It’s a big deal to get housing, and be able to get funding to take care of more people and change their lives,” says Alicia. Alicia feels strongly that if residents

were not at Wright Street where they experience a better quality of life, they “would be basically locked up in an institution indefinitely.” The best part of Alicia’s job is interacting with residents. She enjoys seeing their growth and celebrates even the smallest breakthroughs with positive reinforcement. “I had a guy yelling at me the other day that doesn’t speak . . . I [was] so happy that he was yelling,” she says.

Similarly, Thomas, a Behavioral Health Technician, stresses the “gentle approach” with tenants whom he believes are seeking the core desire for safety. “Depending on the needs [of residents], we really have to build the environment tailored specific for each person as our biggest tool,” says Thomas. Thomas believes there needs to be more community-based options like Wright Street. He expands further:

[There’s a] need for, for places like this house . . . [where] there’s a place to go, where there’s people that are trained specifically to help folks . . . because there are a lot of folks that fall between the cracks.

Staff mentioned long wait lists in general for affordable housing, but for people with disabilities the wait is often prolonged.

Wright Street staff focus on tailoring their care to residents, which depends on residents’ abilities and medical needs. Recently staff became certified to administer food through a gastrostomy tube for one of their residents. In other cases, when tenants arrive and receive an assessment of their abilities, they may not require an intensive full care plan. Regardless, Black Hills Works has internal certified behavioral analysts ready to help create tailored protocols and train staff as needed.

Thomas and Alicia agree more supportive, affordable housing options are necessary in Rapid City, as are the tools to best support residents. Thomas has a detailed list of items he hopes the community could purchase to support residents including visuals, safe objects to keep residents occupied, and innovative communication tools. For new developments, Thomas also suggests spacing out resident move-ins so that staff do not have to “learn everybody at once” as residents are transitioning to their new home (although he recognizes funding barriers for doing this).

Alicia would like to see more funding for housing to match the tremendous need, especially for people with behavioral disorders who have a difficult time securing housing. Alicia believes that with appropriate support most residents can lead social and healthy lives, relating:

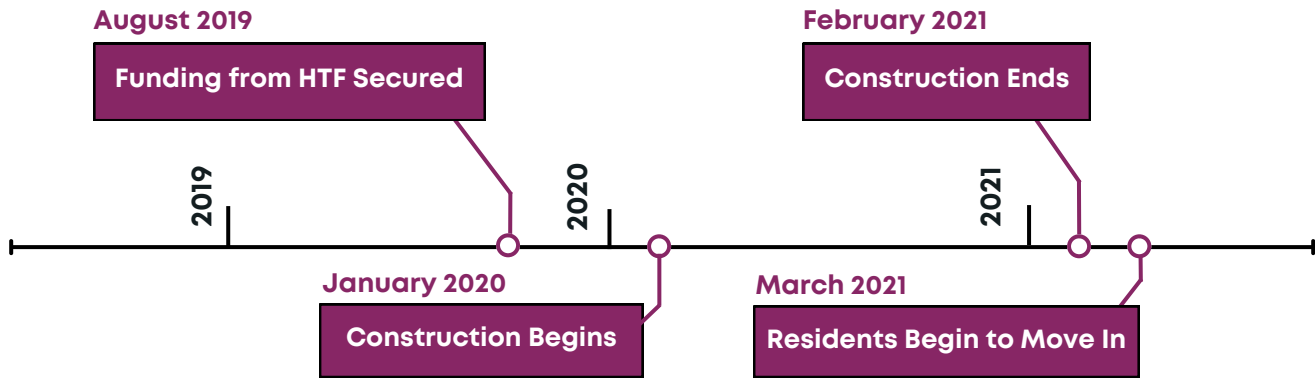
I don't know of another [agency] that does exactly what we do, taking people out [of an institution] and trying to change their lives and get them back into the community. . . figur[ing] out, how do we build friendships when they've never had an opportunity to do that before? So, a lot of them come without having the social capability of forming relationships that are healthy.

In response to this need to form social relationships, Alicia and others are working on creating a “buddy program” where Wright Street residents who seldom receive visitors can form bonds with other Black Hills Works community members. This is in line with organizational-wide efforts to find connections between residents and the larger community. Black Hills Works staff operate art enrichment programs for residents to get involved and share their work in their community. For some residents who with time become more independent, staff connect them to local businesses for employment opportunities. In fact, staff mentioned a former resident of Wright Street has recently transitioned to a more independent property and is working in the community.

Project Proposal and Financing

The Wright Street home was made possible largely because of funds from the National Housing Trust Fund (HTF), coupled with equity raised from Black Hills Works. Originally, staff applied for HOME funds in 2017 but were denied, receiving feedback that the contractor’s estimate was too high. The following year, staff applied for HTF funds with a different contractor and received their HTF final written agreement in August 2019. Black Hills Works staff recognize that the HTF set aside for projects that serve special needs populations (administered through the South Dakota Housing Development Authority) significantly helped them as they competed for funds.

[Timeline on following page]



Once funding was secured, weather conditions and the COVID-19 pandemic delayed the project for about six months. Heavy rain in spring 2019 revealed the need for larger storm sewers and more retaining walls than had been planned. Other delays involved supply chain shortages and COVID-19 cases among subcontractors.

Nonetheless, the project foundation was poured in April 2020 and residents began moving in just under a year later.

Funding Source	Amount
National Housing Trust Fund (HTF)	\$775,000
Black Hills Works Equity	\$400,000

Maintaining Affordability

As is the case with all affordable housing, maintaining affordability for residents is key, and something Black Hills Works aims to ensure in all of their properties. Like other HTF properties, there is a 30-year affordability requirement that Black Hills Works aims to continue indefinitely at Wright Street.

Stable sources of funding are needed to ensure communities like Wright Street can operate. Currently, all Wright Street residents pay for their rent and some of their care through receipt of Supplemental Security Income (SSI benefits), which provide a modest, yet steady flow of income. After the cost of rent, food, and other medical expenses, most residents are left with about \$18.50 a week to cover anything they may want to purchase that is not already provided. In addition, some Wright Street staff expenses are covered by state mental health funding.

Although staff do not anticipate financial issues in the near term with the property, in other communities that have needed repairs or improvements, Community Development Block Grant (CDBG) funds have been tapped to cover some of those costs. For now, the focus of Wright Street staff is to continue to provide a safe, affordable, and supportive place residents can call home.

We would like to thank Wright Street staff and residents for their contributions to this profile. We also thank Ed Gramlich and the National Low Income Housing Coalition, who collects and publishes important information about HTF implementation.

Please note some names in this document may be pseudonyms. Look out for more model HTF projects showcased in the Community Change series! Reach out to Jennifer E. Cossyleon, PhD at jcossyleon@communitychange.org with any comments or questions.

For questions about Wright Street or other Black Hills Works properties, visit Blackhillsworks.org or connect with Kristina Roth at kroth@bhws.com.