

RD AN No 4708 (1942-A and 3575-A)
February 15, 2013

TO: State Directors, Rural Development

ATTN: Community Programs Directors

FROM: Tammye Treviño (Signed by Tammye Treviño)
Administrator
Housing and Community Facilities

SUBJECT: Financing Assisted Living/Nursing Home Facilities Using Community Facilities Funds

PURPOSE/INTENDED OUTCOME:

This Administrative Notice (AN) is to provide guidance to Rural Development staff regarding financing assisted living facility/nursing home projects with Community Facilities funds. This AN will clarify the necessary components of an eligible assisted living facility and provide recommendations to strengthen project viability.

COMPARISON WITH PREVIOUS AN:

This AN replaces RD AN 4444 (1942-A and 3575-A) dated May 20, 2009, which expired on May 31, 2010.

IMPLEMENTATION RESPONSIBILITIES:

Assisted living/nursing home facilities are eligible essential community facilities. Assisted living/nursing home facilities are designed to be operated, staffed, and maintained to best meet the needs and desires of their residents. While the scope of assisted living facilities may vary from region to region, there are some commonalities that should be consistent in order to provide adequate care to residents. It is the Agency's position that an assisted living facility is a residential facility designed, operated, and licensed to provide at least the following daily living and health care assistance to its clients and may include other components necessary to enrich the quality of life for its residents

EXPIRATION DATE:
February 28, 2014

FILING INSTRUCTIONS:
Preceding RD Instructions
1942-A and 3575-A

1. Twenty-four (24) hours a day access to medical personnel (either on-site or on call). A registered nurse or trained staff is required to be on call 24 hours a day in case of emergency, to provide medication management, and supervision of daily living activities, including making rounds and being aware of resident's general whereabouts. The number of personnel should be directly proportional to the census level of the facility. The staff may include administrators, nurses, nurse assistants, personal care attendants, health/wellness directors, activity directors, food service managers, marketing staff and maintenance personnel.
2. Assistance with the residents' activities of daily living such as bathing, dressing, taking medications, and eating. The facility may also incorporate a health and exercise program.
3. Providing at least two meals a day in a central dining area. (Assisted living facilities do not contain full-size kitchens, but often contain a kitchenette equipped with a dormitory-size refrigerator and/or microwave oven.)
4. Providing transportation to local medical facilities and businesses. This service allows for personal services to be met, with minimal decline in the independence of the resident.
5. The assisted living facility must comply with all state licensure/certification requirements.

Assisted living/nursing home facilities must provide the aforementioned level of assistance to be considered eligible for Agency financing. Financial projections for assisted living/nursing home facilities must be based on no more than 90 percent occupancy. This information must be provided to applicants early in the application process to ensure that preparers of feasibility reports use no more than this level of occupancy when developing financial projections for the facility.

If you have any questions, please contact Karen Safer, Loan Specialist, Community Programs, by phone at (202) 720-1490, or by fax at (202) 690-0471.