

# What are your long-term housing options for your adult child with autism?



95% of adults with autism over the age of 25 still live with their parents.



A full time group home costs \$200,000 per year. Most states have a 10+ year waiting list.

Fortunately, there is a third path.

# Introducing Third Path Communities

Third Path Communities is a concept for real estate development corporation that will sponsor, build and operate a network of retirement communities in desirable geographic locations providing life-long living arrangements + work and learning opportunities for adults with autism.

This prospectus is meant to attract like-minded individuals from real estate, finance and home building industries to build a business plan and obtain seed funding.

## Summary

Starting in the mid 1980s, the number of children diagnosed with autism increased dramatically. According to the Centers for Disease Control and Prevention (CDC), the incidence of children diagnosed with autism-spectrum (ASD) has doubled, from 1:150 children born in 1992, to 1 in 68 of children born in 2002.

These children are now becoming adults, and their aging parents are beginning to make retirement decisions. Those plans are strongly influenced (or restricted) by ongoing care obligations for their disabled children.

The parent's #1 concern: "What will happen to my child when I am gone?"

The Third Path Communities concept caters specifically to these families: a series of planned, multi-generation communities where parents would WANT to retire, where families would WANT to visit, with employment and education opportunities that are specifically tailored to the individual skills/talents of adults with autism.

## The Concept

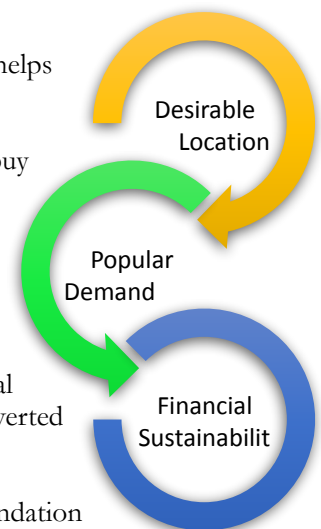
Third Path Communities will create a network of private residential communities for adults with autism and their parents. The concept achieves two important & timely goals: a desirable retirement option for aging parents (55+) and a secure, sustainable living arrangement for their child.

This creates a positive feedback loop: a desirable location creates more demand, which helps ensure economic viability and sustainability.

Like co-op residences, parents of adults with autism (or other family members) would buy shares in a corporation entitling the family to residency and other amenities. These amenities would include housing for the parents, combined with lifetime support for child: a separate residence with appropriate supervision, plus employment, educational & enrichment opportunities.

Each community would have a core activity (a working business or school) that is operated to achieve meaningful revenues and profits to offset operating costs. Additional funds would be generated by the sale of future new housing and the resale of shares reverted to the corporation after the passing of a resident's parents.

The corporation operating the communities will be administered as a not-for-profit foundation or trust, with rigorous fiduciary oversight to ensure appropriate care for residents, investment integrity, and economic self-sufficiency. The model can be repeated in a variety of locations to offer diversified retirement & investment options.



## Community Operations

### Education & Enrichment

The key principle of Third Path Communities is to match a resident with a facility theme. Many people with autism typically have a core interest. To maximize learning/enrichment, a resident would be matched to a facility that caters to his/her talents. Theme-based facilities would allow residents to thrive in an environment where they can maximize their potential.

For example, in addition to work responsibilities, residents would have regular enrichment classes and social opportunities. If the facility's focus is music, residents would be given music lessons, lectures and concerts. Art/design-focused facilities would have art classes and lectures. Filmmakers would receive training on film production or editing, and have movie screenings.

Third Path Communities should appeal to theme experts who may look to the community as a resort destination for *'volunteer vacations'*. Artists, filmmakers, musicians would receive free (or highly discounted) accommodations in exchange for donating some of their time to teach residents a valuable skill, present a lecture or film, or perform in concert. The entertainment/educational draw of such activities can be a powerful incentive to attract bookings from families and the general public.

Depending on the location, supplemental education and/or job options can be pursued with local community colleges or businesses.

### Configuration

Each Third Path-planned community would comprise a central "hub" (community center) surrounded by residential homes or apartments, similar to planned or gated communities. Parents would live in close proximity to, yet separately from, their children. Children would live and work at the hub under a congregant care model.

The hub of a Third Path community will have a specific theme/focus that is best suited to the skills and talents of its adult clients. Each hub operates as the economic engine for the community, helping to generate meaningful revenues to offset operating costs. It could be a boutique hotel, food processing kitchen, ranch, farm, art gallery or concert hall or music conservatory. The idea is to engender a purpose for the hub so it becomes a "cause" for the community.



The community could be a self-contained residential building (like a mixed-use hotel), blending permanent (owned by parents) residences with overnight rooms. A community could also be a larger, rural property surrounded by single-family homes or apartments.

Development options could include either greenfield construction or renovation, or acquisition of existing retirement communities, schools, farms, hotels or resorts.

## Example Hubs

A hotel or resort would be an excellent engine to generate income that offsets operating expenses. However, other hub concepts may prove useful:

- Working farm that sells locally-produced, organic foods.
- Concert hall that attracts performing musicians or teachers
- Horticultural facility that sells plants, vegetables, herbs and flowers
- Film/digital animation studio that provides services to the TV and movie industry.
- Vineyard and winery that grows and produces its own wines.

## Daily Operations

Full-time residents (adults with autism) would be responsible for basic operations at the hub. Jobs would include landscaping, house keeping, food preparation & food service, supervised maintenance (painting, plumbing), and administrative tasks (data entry, filing, light bookkeeping).

A staff of 10 ~ 15 managers (with familiarity/training in autism) would act in supervisory roles.

Each facility will have integrated dormitory facilities for on-site employees/residents. Some residential assistants would be needed, perhaps in a staffing ratio of 5:1. This is a congregant care model and it can be much less expensive than the current supervised community residence model with 24-hour/day supervision and low staffing ratios.

## Financial

The parent company supporting Third Path Communities could be organized as a trust, with the financial goal of accumulating an endowment to build or acquire facilities, and to develop facility operating systems. The foundation could provide reserve funds for emergencies or expansion and, theoretically, solicit tax-exempt donations to pursue a mission of education and enrichment.

Any in-depth business plan should include consideration of ownership-options that are most appealing to parents. For example, some parents may want the flexibility of a “time-share” or vacation club investment, where they have the option to visit other destinations in the network. Other residents may want to relocate permanently. And some parents – not ready or willing to commit to full-time residency – may simply want their child to have a home in a great vacation spot with an enrichment lifestyle and a chance at meaningful employment.

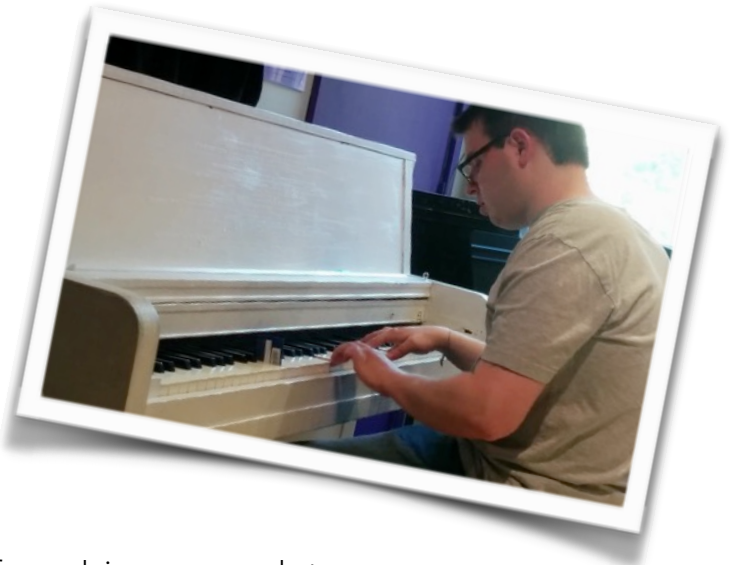
*The business plan should explore many creative options, but with the overall goal of creating a secure and sustainable business / residential program for adults with autism.*

For example, the business plan should study if Medicaid funding is possible or desirable. While residents might be eligible for Medicaid funding, accepting those funds would obligate the facility to specific staffing/operating conditions that may be prohibitive.

Some states allow adults (or their guardians/fiduciaries) to self-direct funds to specific programs. So, while a Third Path community may not qualify as a Medicaid-approved “home,” it would be eligible to receive funding for day habilitation services.

## Typical Resident: Peter, Age 29

Peter, 29, lives in a Medicaid-funded, private group home and attends day habilitation in New York. While he is unlikely to attend college or live independently, he is intelligent, literate and capable of continued learning and growth. For example, he started playing piano at age 23 and, almost six years later, is an accomplished music student with real potential for life-long enrichment, or even employment as a performing musician.



Peter takes piano lessons twice a week and has performed in groups and at area nursing homes. His parents believe he would significantly benefit from an enriched living and educational environment that stressed music education. This would allow Peter to pursue job opportunities and social relationships with other musicians.

General-purpose day habilitation is not right for Peter. Such programs deliver quasi-educational services in a classroom environment only four hours per day, with a curricula aimed at the lowest common academic denominator.

And Peter's one-size-fits-all group home accommodations are extremely expensive, costing New York State Medicaid \$200,000 per year. Peter's group home operations are based on an expensive model, best suited for people with severe physical or intellectual disabilities.

Unfortunately, there is no "in-between" residential solution for people with autism who are ambulatory, healthy and do not require intensive supervision.

The agencies that run Peter's group home and day habilitation both face constant cost-pressures from Medicaid, their primary source of funds. Long term, Medicaid can simply not sustain these benefits without serious cutbacks and waiting lists or massive tax increases.

Peter's mother and father are both 57-years old. They want to remain actively involved in their son's life, but want to plan a retirement in lower-cost parts of the country. However, attempts to move Peter to more retirement-friendly locations (Florida, Arizona, Delaware) will likely result in a 10- to 20-year long waiting list for a similar group home placement. Often these placements are made on an emergency basis, with little regard for the individual needs of the client.

So Peter's parents are resolved to remain living in New York State, restricting their mobility and limiting their living choices on a fixed-retirement income.

## First Steps: Create an Offering Prospectus

The first objective of this proposal is to gather critical mass of advisors with the necessary skills and interest in the Third Path Community concept. I would expect that there would be some excellent resources within the Autism community including real estate developers, financiers, builders, trust attorneys and even hoteliers. Together we can create a long-term plan that solves multiple problems:

- Sustainable living solution for our children
- Enriching, appropriate educational environment
- Tailor-made retirement option for parents that want to stay involved in their children's life yet not be bound to the geography of their child's group home.
- Safeguard against the inevitable decline in Adult services caused by a Medicaid funding squeeze.

For more information, please contact David S. Brooks: [david@spsgc.com](mailto:david@spsgc.com) or (818) 398-6828.