

**A Five Year Plan for Integrating
Affordable Housing and Long Term Supports
in the Commonwealth of Pennsylvania**

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prepared by

**The Housing Advisory Committee
to the
Pennsylvania Office of Long Term Living
(OLTL)
and the
Pennsylvania Housing Finance Agency
(PHFA)**

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Executive Summary

The Long-term Living Housing Advisory Committee was created in 2007 to develop a strategic plan for increasing affordable accessible housing options and opportunities for individuals needing long term living services. The Committee was composed of 27 representatives of public and private agencies from throughout the Commonwealth. The 5 year plan is presented as the foundation for an on-going process of data collection, analysis and strategy formulation. In crafting this report the Committee assumed that the type and level of necessary services to support individuals living in the community are available. Its focus was on increasing housing and housing opportunities and making sure that the coordinating mechanisms are available to link the housing to services.

Need

- At 14.65%, Pennsylvania had the third highest population of older adults in the nation in 2005, and that percentage is expected to increase to an astounding 25% by 2020.
- A significant portion of those older adults have disabilities (40%), as do 13.1% of individuals aged 21-64.
- Many of these households also have low and moderate incomes including more than 250,000 elderly and persons with disabilities who have SSI as their sole source of income, which is \$7,644 annually.
- In addition, Social Security Retirement Income is the only source of income for 25% of single elderly and 11% of elderly couples, which is \$12,900 per year for singles and \$21,168 for couples.
- There is a wide gap between the cost of housing and the ability of these households to pay for housing; as a result housing cost burden is high for both renters and homeowners. While spending 30% of household income for housing is considered affordable:
 - An individual in PA receiving SSI would have to pay 87.9% of his income to rent the average efficiency apartment and 100% of his income to rent a one bedroom apartment.
 - The average individual homeowner without a mortgage would have to pay 39% of Social Security Retirement Income or 66% of SSI for housing. Individual homeowners with a mortgage would spend 93% of Social Security Retirement Income or 157% of SSI for housing.
- Although many of these households qualify for government housing subsidies such as rental assistance, public housing or home modification grants, these resources are extremely limited, with waiting lists of 2 to 5 years in many communities.
- Nine out of ten older adults prefer to age in place in their communities.

These facts translate into a clear mandate for the Commonwealth to expand viable community based alternatives. The Commonwealth needs to:

- ⇒ Create a system that coordinates long-term living services with affordable accessible housing and adheres to the guiding principles of choice, access, affordability and sustainability;

- ⇒ Develop a state and local infrastructure that supports the availability of adequate housing to address the needs of the target population;
- ⇒ Develop new affordable accessible housing in non-institutional community settings;
- ⇒ Expand resources for home repair and home modification programs in conjunction with home health care that will help to support individuals to remain or return to their homes;
- ⇒ Continue and expand tax rebates, utility assistance, home maintenance and other initiatives to enable people to age in place;
- ⇒ Support access to long-term living services for individuals eligible as well as those ineligible for waivers.

Goals

The primary goal of this report is to ensure affordable, accessible community-based housing is available to all individuals needing long term services. This includes adequate housing and services to prevent institutionalization and allow individuals to age in place, as well as to enable those currently living in nursing homes and other institutions to return to the community without delay.

The Commonwealth has already taken considerable steps towards accomplishing this goal. Most critical is adoption of the policy to shift state resources from institutional-based care to community-based services. The Commonwealth currently spends 2/3 of its \$5.37B Medicaid budget on long-term living; 80% of these dollars is being spent to provide care in nursing facilities and only 20% to deliver services in the community. The Commonwealth goal is to have a balanced long-term care system (50/50) by the year 2020.

It is projected that 43,000 waiver eligible individuals will need home and community based waivers by the year 2010. Of those, 25,980 will be over 60 years and 17,020 under 60. Applying the conservative assumption that 20% of these individuals will need assistance with housing, *sufficient housing resources will be needed for at least 8,600 waiver participants.*

The Committee strongly recommends the following goals in order to meet this need:

- That resources be made available in 2008-09 to house 250 individuals currently in nursing homes primarily due to the lack of accessible affordable housing¹. Making this a high priority for 2009 will provide the Commonwealth an opportunity to profile these individuals and to assess the types and extent of housing assistance actually needed.
- That housing resources be made available to meet the goal of transitioning 3500 individuals from nursing homes over the next five years, or an average of 700 persons per year. These are individuals who have been in nursing homes for more than six months. Housing resources

¹ In 2007 counties identified 248 individuals who desired to transition from the nursing home to community based living but lacked necessary affordable housing options.

should include the development of new rental units, home modifications, rental assistance, and/or transition costs.

- Over the next five years generate, target and/or set-aside resources in order to support the target population currently living in the community, including:
 - ⇒ Resources for home modifications, assistive and building technology and support service resources for an additional 3,000 households in order to enable aging in place and prevent nursing home placement; and
 - ⇒ Resources to develop 600 additional units of affordable, accessible rental housing throughout the Commonwealth for individuals desiring to move; and
 - ⇒ Resources to provide tenant-based rental assistance and project-based operating assistance to leverage Housing Choice Vouchers for 4,300 additional households who need long-term living services.

Recommendations

Meeting these goals will require Commonwealth agencies to implement a series of recommendations in five priority areas. Following are those areas and the key recommendations in each:

Increase Housing Options and Opportunities

- Leverage Public Housing Authority (PHA)resources to yield additional rental assistance vouchers
- Set aside additional low income housing tax credits to assist in increased housing affordability for the target population
- Build the capacity of nonprofit housing developers
- Facilitate development of innovative housing models such as shared housing, limited equity housing cooperatives and other affordable models that link housing and needed services for the target population.
- Increase the development of barrier free housing by providing more aggressive incentives to developers
- Foster the inclusion of assistive and building technology features in appropriate new developments
- Expand housing options for individuals transitioning from nursing homes that have no or bad credit, criminal histories and other factors that make them poor risks through master lease programs, the provision of incentives to private landlords, and shaping PHA policies to create preferences for those transitioning from nursing homes.

Support Aging in Place and Prevent Institutionalization

- Implement funding for renovations to existing homes to support aging in place, including additional resources for home modifications
- Institute mechanisms to support on-going home maintenance and emergency repairs for homes of the targeted population

- Incentivize installation of assistive and building technology features in existing homes to prevent institutionalization
- Expand resources for conversion of independent rental housing into housing with supports
- Identify and dedicate funding for adult day care, targeted medical case management, resident service coordination and other services that support aging in place
- Assess and streamline current home modification regulations and encourage the adoption of mechanisms for better coordinating home modification grants and loans on the local level

Support Nursing Home Transition

- Implement a statewide program for the post verification of income and resources
- Increase the maximum amount of waiver dollars to be used for home modifications and modify the regulations to permit their use prior to occupancy by the eligible individual
- Support the development and funding of an assisted living program in order to ensure that individuals with more complex needs are served
- Restructure the Domiciliary Care model and increase its use by at least 50 beds per year in order to better utilize existing community based housing

Increase Knowledge

- Provide educational packets to landlords in order to expand rental opportunities for members of the target population
- Create and distribute a “how to” users guide for accessing and utilizing home modification programs
- Educate municipal officials about transition efforts and the number of aging and disabled persons living in their communities
- Educate developers, the building industry and realtors to the market’s need for accessible, visitable and affordable housing

Improve Coordination

- Create a state steering committee to identify and address on-going policy, program and regulatory issues; update and supplement data; monitor and adjust the goals of the plan; and ensure coordination around the planning and delivery of housing and services
- Increase providers’ understanding and effectiveness in housing through mandating the appointment of dedicated housing staff by Area Agencies on Aging (AAA’s) and Centers for Independent Living (CILs), providing training and technical assistance to that staff
- Maintain support to the Regional Housing Coordination Program through the Self-Determination Housing Project

- Continue to support the establishment of Local Housing Option Teams and other local housing collaborations that address the housing needs of individuals with disabilities

Plan Implementation

Three strategies are recommended for financing the implementation of the plan:

- **Investment of Resources**
Establish a dedicated Community Living Fund into which savings accrued from systematic rebalancing efforts would be deposited and then used to expand community resources and infrastructure including specific housing initiatives. This would also include implementation of the Nursing Facility Partnership Plan to rebalance/reconfigure nursing home assets and dissemination of information on models for downsizing and/or converting nursing homes.
- **Targeting and Set Aside of Existing Resources**
A number of state resources need to be targeted to meet the housing needs identified in this plan. A high priority is the expansion of the pilot tenant based rental assistance program to increase funds available as well as to include project based operating subsidies. Additional strategies should be implemented in order to expand the number of Permanent Supportive Housing units developed. Strategies may include increasing the set-aside in the Low Income Housing Tax Credit Program or mandating the integration of these units in all developments that receive PHFA or other state funding.
- **Generation of New Resources**
The Commonwealth must continue to pursue federal grant opportunities and maximize their benefit for the target population. Notably, a portion of the new national housing trust fund dollars should be allocated to housing for people needing long term living services. The Administration must also continue to work with the state legislature to ensure passage and funding of the state housing trust fund, and to target a share of those dollars for the target population.

A Plan for Long-Term Living

This document was prepared by the Housing Advisory Committee to the Office of Long-Term Living (OLTL) and the Pennsylvania Housing Finance Agency (PHFA).

The Long-Term Living Housing Advisory Committee was created in 2007 to assist the Commonwealth in developing a strategic plan with the goals to increase affordable accessible housing and access to supports for individuals needing long-term living services. The Committee was composed of a distinguished group of individuals representing housing and human service agencies from the public and private sectors throughout Pennsylvania. It met regularly from October 2007 through September 2008 assisted by state agency staff and their consultants. Existing data was collected and analyzed; barriers were identified and recommendations were formulated by members of the Advisory Committee. These recommendations are provided to Commonwealth policy makers for consideration in the development of a strategic plan for increasing the availability of affordable housing.

Although the initial charge was to develop a ten year plan, this is presented as a working document to plan for the next five years. Several factors prompted this change. First of all, the group embraced the idea of a strategic plan as a living, breathing document that changes as the environment changes and as new data and information become available. They also recognized the difficulty in accurately projecting and planning for the future, especially given the speed at which both federal and state policies and Pennsylvania demographics are changing.

Second, after considerable research, the Committee found insufficient data to accurately enumerate the future housing needs and preferences of the target population. Specific data on housing has not been collected or analyzed by agencies serving the target population. In response to this insufficiency, the Committee has included a recommendation to begin collecting the data needed to project future housing and long term service needs.

Third, the Governor recently created the Office of Long-Term Living. Involving the reorganization of related state departments, this new Office has and will have an impact on the planning and delivery of housing and long term living services in the Commonwealth.

For all of these reasons, the Committee members agreed that development of a shorter term plan would make more sense at this time. Therefore this plan is presented as the foundation for an on-going process. The document is meant to be updated and supplemented as better data becomes available and as the ramifications of state and federal organizational and policy changes become known.