

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

September 2008

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.

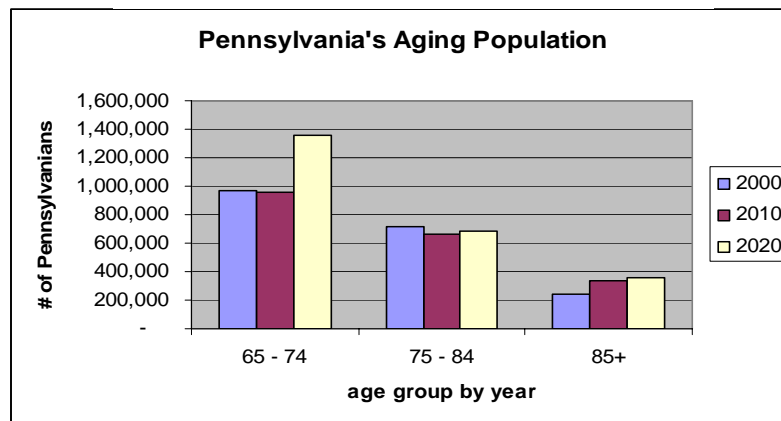
Third, the Governor recently created the Office of Long-Term Living. Involving the reorganization of related state departments, this new Office has and will have an impact on the planning and delivery of housing and long term living services in the Commonwealth.

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.

A. Background and Needs²

In 2005, Pennsylvania had the third highest population of older adults in the nation, with 14.6% of the population 65 years of age or older. Forty percent (40%) of Pennsylvania's elderly have one or more disabilities³ and another 13.1% of Pennsylvanians aged 21-64 had a disability⁴. By 2020, the percentage of population over 65 is expected to increase to an astounding 25%, for a total of 2.3 million people. Of these individuals, 363,000 will be over 85 years of age⁵.

Table 1: Pennsylvania's Aging Population



Unfortunately, a significant percentage of these individuals have low and moderate incomes. In 2005, 25.7% of PA residents aged 21 to 64 with a disability lived below the poverty line⁶. Additionally, 8.9% of Pennsylvania's over 65 years of age live below the poverty line⁷, including 28.2% of individuals aged 75 to 84 and 36.8% of persons 85 and older below 150% of poverty⁸.

These numbers include 198,852 PA residents aged 18 to 64 and 60,801 over 65 years of age receiving SSI as their only income⁹. The 2008 SSI benefit provides individuals with \$637 per month or \$7,644 annually. Social security retirement accounts for the only source of income for one in four single elderly and one in nine elderly couples¹⁰. The average Social Security benefits provide individuals

² Note: Larger versions of Tables 1 – 5 are located in Appendix C.

³ Census Scope - Pennsylvania Disability Status of the Aged. Accessed from: http://www.censuscope.org/us/s42/print_chart_aged_disability.html.

⁴ U.S. Census Bureau, 2005 American Community Survey

⁵ Accessed from: <http://www.aging.state.pa.us/aging/cwp/view.asp?A=560&Q=254754>

⁶ *Housing for Persons with Disabilities*. Accessed from http://www.phfa.org/hsgresources/housing_study.aspx.

⁷ In 2008, income at the poverty line = \$10,400 and income at 150% of poverty = \$15,315.

⁸ *The Elderly and Housing in Pennsylvania*. Accessed from http://www.phfa.org/hsgresources/housing_study.aspx.

⁹ Pennsylvania State Statistics for December 2005. Accessed from www.socialsecurity.gov.

¹⁰ Elder Economic Security Initiative Program: The Elder Economic Security Standard Index for Pennsylvania. May 2008, the Gerontology Institute, University of Massachusetts Boston, and Wider Opportunities for Women.

with \$1,075 per month or \$12,900 annually and elderly couples with \$1,764 per month or \$21,168 annually.

These high poverty rates translate into a disproportionately high housing cost burden¹¹ for persons with disabilities and elderly. *Priced Out in 2006* reports that in Pennsylvania, an individual receiving SSI¹² would have to pay 87.9% of his/her income to rent the average efficiency apartment, and 100% of income to rent the average one bedroom apartment¹³. Table 2 shows the rental housing cost burden for persons with disabilities and Table 3 shows the rental housing cost burden for elderly.

Table 2: Percentage of Renter Occupied Households in PA that are Housing Cost Burdened, 2005

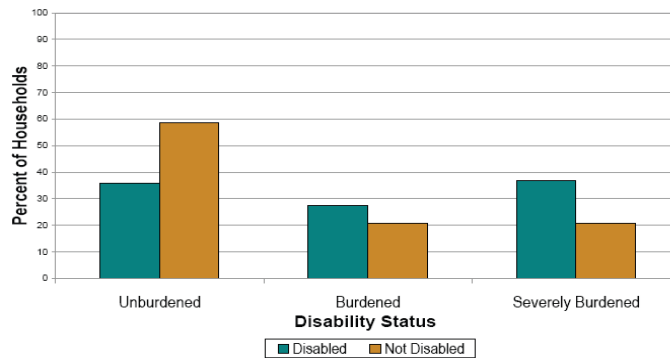
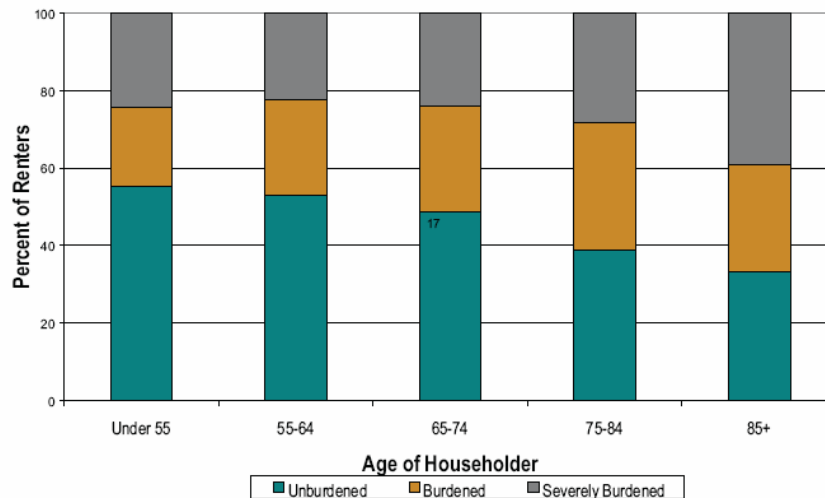


Table 3: Housing Cost Burden of Pennsylvania Renters by Age of Householder, 2005



The housing cost burden is also high for homeowners within the target population. Over 63% of PA residents with disabilities are homeowners¹⁴. 62%

¹¹ Cost burden is a term used to describe a household paying an excessively high proportion of its income for housing. See Glossary for definition of affordable housing and cost burden.

¹² 2006 SSI payment = \$630/month or \$7,560/year

¹³ O'Hara, A., Cooper, E., Zovistocki, A., Buttrick, J. *Priced Out in 2006*. Boston, MA: Technical Assistance Collaborative, 2006.

¹⁴ *Housing for Persons with Disabilities*. See Reference #9.

of PA's elderly population are homeowners without a mortgage. The monthly housing costs for homeowners without a mortgage range from a low of \$328 per month in Bedford, Fulton, and Huntingdon counties to a high of \$666 per month in Chester County. These figures represent up to 31-62% of social security retirement income and up to 51-100+% of SSI.¹⁵

Table 4: Housing Cost Burdens of Pennsylvania Owners by Age of Householder, 2005

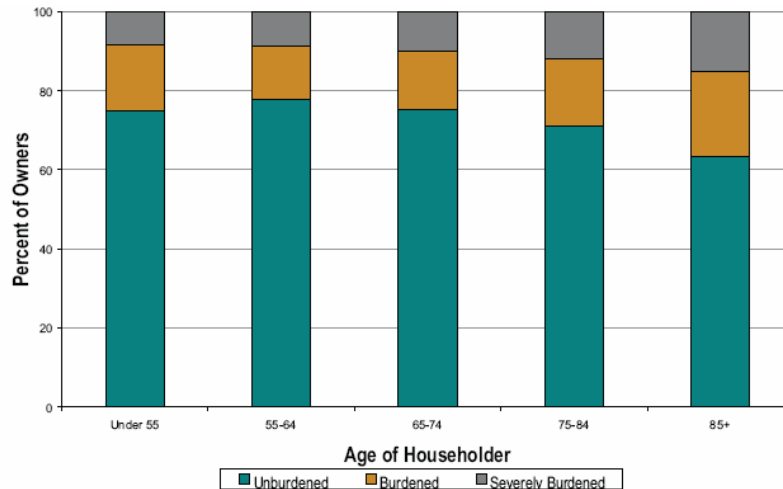
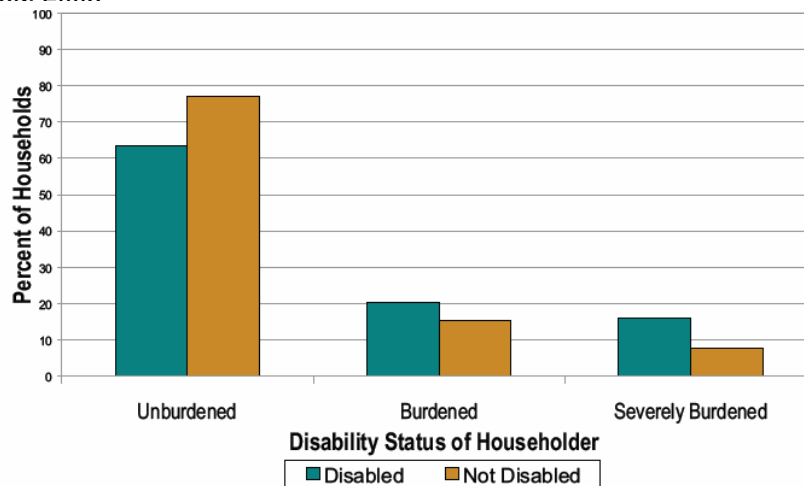


Table 5: Percent of Owner Occupied Households in Pennsylvania that are Housing Cost Burdened, 2005



Many of these households need various types of housing assistance, including subsidized housing and resources for home maintenance and home modifications. Unfortunately, the demand for these resources far outpaces the supply, as evidenced by few vacancies in existing subsidized units, long public housing authority waiting lists for housing choice vouchers, and waiting lists for home modifications.

¹⁵ Elder Economic Security Initiative Program: The Elder Economic Security Standard Index for Pennsylvania. May 2008, the Gerontology Institute, University of Massachusetts Boston, and Wider Opportunities for Women.

Coupled with this need for affordable accessible housing, there will also be an increased need for long-term living services. In fact, by 2010 the projected number of needed waiver slots (both under and over 60) is expected to increase from approximately 30,000 to 43,000 slots. This includes 25,980 over 60 waivers and 17,020 under 60 waivers¹⁶.

Clearly the issue of long-term living is, and will continue to be, a prominent one for state policy makers. The Commonwealth recognizes the need to maintain and expand housing options and supports for persons with disabilities and elders needing long-term living services. Further, the Commonwealth recognizes that most people prefer to remain in their homes and communities, rather than leaving their families, friends and community supports for institutional care. Rutgers University research shows that nine out of ten older adults prefer to age in place in their communities¹⁷. Furthermore, a 2003 study of AARP members in Pennsylvania found that 43% "would prefer that they or a family member stay in their own home with the help of a nurse should the need for long-term care arise."¹⁸

This translates into a clear mandate for the Commonwealth to expand viable community based alternatives. Specific needs include:

- ⇒ A system that coordinates long-term living services with affordable accessible housing and adheres to the guiding principles of choice, accessibility, affordability and sustainability;
- ⇒ Develop a state and local infrastructure that supports the availability of adequate housing to address the needs of the target population;
- ⇒ The creation of new affordable accessible housing opportunities in non-institutional community settings;
- ⇒ Resources for home repair and home modification programs in conjunction with home health care that will help to support individuals to retain and remain or return to their homes;
- ⇒ The continuation and expansion of tax rebates, utility assistance, home maintenance and other initiatives to enable people to age in place;
- ⇒ Access to long-term living services for individuals eligible as well as those ineligible for waivers;

Pennsylvania currently spends 2/3 of its \$5.37B Medicaid budget on long-term living. These dollars strongly favor institutional alternatives with 80% of funding being spent to provide care in nursing facilities (which accounts for 70% of the long-term living population) and only 20% of funding to deliver services in the community (which accounts for 30% of the population). However, the Commonwealth has established the goal of achieving a balanced system by the

¹⁶ Governor's Executive Budget Fiscal Year 2008-2009. March 2008. Accessed from: [http://www.budget.state.pa.us/budget/lib/budget/\(2008-2009\)executive_budget_documents/exec_budget/2008_09_executive_budget.pdf](http://www.budget.state.pa.us/budget/lib/budget/(2008-2009)executive_budget_documents/exec_budget/2008_09_executive_budget.pdf).

¹⁷ *Cost, Quality and Access: Providing Long term Care Services to an Increasingly Elderly and Chronically Ill Population*. Accessed from www.cshp.rutgers.edu/Downloads/7240.pdf.

¹⁸ *Perceptions & Opinions of Assisted Living: A Survey of AARP Members in Pennsylvania*. Accessed from http://www.aarp.org/research/housing-mobility/assistedliving/perceptions__opinions_of_assisted_living_a_survey.html.

year 2020. Its policy is to shift state resources from institutional-based care to community-based services.

Indeed, the Commonwealth has already taken a number of significant steps towards reaching its goal of rebalancing its long-term care budget. In 2004, the Commonwealth applied for and was awarded a grant from the Centers for Medicare and Medicaid Services (CMS) for “Integrating Long-Term Supports with Affordable Housing”. The purpose of the grant is to develop Pennsylvania’s infrastructure to increase access to affordable, accessible housing in coordination with services available through the Medicaid State Plan. An important grant objective is the development of a strategic housing plan for persons in need of long-term living services.

The Commonwealth has launched a number of other initiatives that support the grant. These initiatives help to reverse and prevent unnecessary institutionalization, increase available community-based options, and increase participant directed options. The following initiatives are under way:

- The Pennsylvania Housing Finance Agency (PHFA) has:
 - Set aside 5% of available Low Income Housing Tax Credits for Permanent Supportive Housing developments. The set-aside allocation was \$1.2M in tax credits for 2008 and \$1.3M for 2009;
 - Provided incentives to housing developers to make twice the number of required accessible units.
 - Provided incentives to housing developers to make accessible units affordable to persons at 20% of the Area Median Income. Since this practice began, over 500 such units have been developed and/or committed. Beginning with the 2009 tax credit funding, this affordability will be a requirement, not an incentive. Developers will be required to make all accessible units affordable to persons at or below 20% of the Area Median Income, adjusted for family size.
 - Created a web based inventory of affordable accessible rental housing in the Commonwealth that can be accessed by individuals, family members, human service workers and others seeking rental housing in their communities. There are currently 74,520 units posted on the website (<http://pal.phfa.org>);
 - Convened a Public Housing Authority Consortium that met between Fall 2007 and Spring 2008 in order to engage Public Housing Authorities as partners in successfully transitioning special needs populations into the least restrictive housing of choice. This Consortium developed ideas for addressing barriers and resource limitations, including a description of best practices.
- PHFA and the Office of Long-Term Living (OLTL) have established a Tenant Based Rental Assistance (TBRA) pilot program to provide rental subsidies to low income individuals transitioning from nursing homes into the community. The program was initiated in the Fall of 2008 and will

- provide rental assistance to individuals in eleven counties, including 101 vouchers in Philadelphia. A total of \$3.5M in rental assistance will be made available, including \$750,000 allocated in FY 2007-2008 and \$2.75M allocated in FY 2008-2009.
- OLTL/PHFA in partnership with the Self-Determination Housing Project of Pennsylvania (SDHP) has:
 - Expanded the number of Regional Housing Coordinators from five to ten statewide. These Coordinators provide coordination, education, outreach and technical assistance to communities in order to bridge the information gap between service and housing providers;
 - Established an online “Quick Start Housing Resources” county by county listing of Regional Housing Coordinators, nursing home transition coordinators and other key housing resource contact information for elders and people with disabilities;
 - Developed the Prepared Renter Program (PREP), designed to provide participants the tools they need to become successful tenants, including strategies to overcome issues such as bad credit and criminal histories; Between March 2007 and July 2008, 104 PREP training sessions have taken place with participants from 62 counties.
 - OLTL has created the Total Senior Care Initiative, a two-part strategy that partners with nursing homes seeking to reinvent themselves and reconfigure their facilities to better align their services with emerging marketplace demands and preferences. This Initiative is the only project of its type in the nation, and is receiving national recognition.
 - The first part of this initiative is the Nursing Facility Partnership Plan, which is designed to create financially attractive and flexible reimbursement incentives to assist providers in restructuring their debt and reconfiguring their assets.
 - The Community Services Partnership Plan is the second component of the initiative, which will reinvest savings derived from nursing facility reconfiguration into initiatives that expand and strengthen Pennsylvania’s home and community-based infrastructure;
 - OLTL is devoting significant resources to Nursing Home Transition (NHT), recognizing NHT as a key component of a balanced long-term living system. Between July 2005 and July 2007, this effort has transitioned over 3,500 individuals from nursing homes into the community;
 - The Intra-governmental Council on Long Term Care, along with advocates, participants and state agencies, collaborated on the Housing Alternatives Work Group (HAWG) Report. With the goal of increasing the supply of affordable, accessible housing across the Commonwealth, this

report provided descriptions and examples of eight housing models not commonly found within Pennsylvania; PHFA and OLTL have initiated a pilot based on recommendations from (HAWG) to test alternative housing models for transitioning individuals from nursing homes. This pilot is an initiative with Blueroof Technology in Allegheny County;

- The Governor's Offices of Health Care Reform and Housing & Community Revitalization along with the Department of Community & Economic Development (DCED) sponsored a home modifications work group. This workgroup produced a document that provides interagency guidance on home adaptations and/or assistive technology programs, as well as a website (homemods.jevs.org) to provide participants and professional staff information on home modifications, assistive technology and resources for both. As a result of this effort, DCED has included the guidance of this report in the guidelines for the PA Accessible Housing Program;
- OLTL has expanded the Living Independence for the Elderly (LIFE/PACE model) program, a long-term care capitated assistance program designed to provide an all-inclusive package of services through a managed care model for frail elderly. This expansion has led to several LIFE programs being fully coordinated with housing and the co-location of LIFE staffing in several other housing settings;
- Department of Aging (PDA) has begun the implementation of the "Own Your Future" campaign, to promote aging in place. This outreach effort provides PA residents ages 45 to 65 information about planning for the future in areas including finances, legal services, housing, health care and long-term care insurance;
- OLTL has plans to implement *Services My Way*, the PA model of Cash & Counseling in both the Aging and Attendant Care Waivers. This model of service delivery supports aging in place and maximizes consumer preference and autonomy by providing participants the option to direct and control their own non-medical home and community-based waiver services¹⁹; and
- Department of Public Welfare (DPW)/OLTL/PDA have plans to implement the Money follows the Person (MFP) initiative. This initiative will help to maximize existing resources by increasing the occupancy rate within Domiciliary Care Homes. In addition to maximizing existing resources, MFP will provide new resources through an enhanced federal Medicaid match. These additional funds will help to increase home and community based waiver slots and provides funding for the Regional Housing Coordinators program.

¹⁹ Research in other states found that nearly 75% of Cash & Counseling program participants reported an increase in quality of life (Phillips, et.al. [Lessons from the Implementation of Cash and Counseling in Arkansas, Florida, and New Jersey](#) - Final Report June 2003.

B. Purpose & Scope

While the Commonwealth has initiated an impressive array of new programs and services, as evidenced by the above data, there remains a serious lack of affordable accessible housing options, opportunities and services to adequately support community based living.

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, including those transitioning from nursing homes.

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 and support services.

For the purposes of this report, long-term living services and supports include medical needs, assistance with day to day activities such as dressing, bathing, and/or using the bathroom, home maintenance, work and work-place related assistance and socialization. These services can be provided in a person's home, in a residential setting, or in a nursing home. This includes preventive, early identification and (informal) home caregivers.

Although the Committee recognizes that there are special needs within this target population, such as those with co-occurring mental illness and physical disabilities, recommendations to address the specific needs of this and other target populations are outside the scope of this report. See the Housing Work Group Report: A Plan for Promoting Housing and Recovery-Oriented Services for housing and service recommendations for individuals with mental illness.²⁰

C. Guiding Principles

Guiding Principles

The Housing Advisory Committee established the following principle sets to guide the development of the Plan:

- **Choice:** Inherent to the development of this plan is a basic respect for participant independence and choice. Housing and services should always be participant driven. Choice can be accomplished by allowing individuals to decide their own type and location of housing, as well as how and by whom

²⁰ Housing Work Group Report: A Plan for Promoting Housing and Recovery-Oriented Services can be downloaded from <http://www.pahousingchoices.org/HWGReport.pdf>.

services are delivered, regardless of age or geographic area. Informed choice is critical; individuals should be presented with all housing models and service delivery options available and all choices should be presented objectively. People should continue to have the opportunity to make different choices based on their evolving experience or needs.

Community based housing and service options are designed to promote community integration. In order to prevent community isolation, resources must be made available to participants. Resources include appropriate services, available transportation and other supports. Although personal care boarding homes are an option on the continuum of community based housing, this should not be a default placement for individuals and is only appropriate to individuals who wish to live in this type of congregate environment.

- **Access**: Access is a critical guiding principle to this report. In order to prevent premature or inappropriate dependence and/or reliability on LTL services, a full range of housing and service delivery options and information must be available in every community. Increased public awareness is also necessary; the public must be well educated regarding options and supports available. In addition, realtors, builders, contractors, landlords and other housing professionals must be educated and their skills enhanced. Physical access is also critical. Visitability, adaptability and universal design are concepts that must be promoted in order to foster aging in place and prevent isolation of individuals with physical impairments.
- **Affordability and Sustainability**: Both housing and services must be affordable to all participants. Housing must meet standard affordability guidelines: 30% of income including basic utilities for rent or for principal, interest, taxes, and insurance. Maintenance expenses should also be a consideration. Where possible, income should be adjusted for medical expenses. Services must meet individual needs with fees on a sliding scale according to income. Multiple funding sources, including medical assistance, private financing, Older Americans Act and lottery funds should be integrated and leveraged to assure affordability. While information should be available to all, public dollars should be allocated to benefit low and moderate income persons. Finally, long-term sustainability is important for both individual housing situations and for new programs and initiatives.
- **Coordination and Collaboration**: Effective use of resources is an important principle. All resources must be streamlined, maximized and utilized efficiently through creative partnerships, collaboration and co-location. An important goal of coordination is to ensure that state resources are targeted to address local priorities. Finally, in order to increase available resources, PA must advocate for and influence federal funding streams wherever possible.

D. Goals

The primary goal of this report is to ensure affordable, accessible community-based housing is available to individuals within the target population. This includes adequate housing and services to prevent institutionalization and allow individuals to age in place, and to enable those currently living in nursing homes and other institutions to return to the community without delay due to a lack of appropriate housing.

Other goals are to:

- Provide specific recommendations that will help the Commonwealth in addressing the needs identified throughout this report, and support efforts to balance the long-term living system by 2020.
- Build state and local infrastructure to ensure adequate housing capacity and linkage of persons with long-term care service needs to affordable accessible housing.
- Provide adequate subsidies to ensure that affordable, accessible housing and services are available for all populations needing subsidies and long-term living in Pennsylvania.
- Ensure that all persons in need of housing and long-term living services have access to the housing and services of their choice.
- Ensure that all PA residents have the information they need to provide, obtain and sustain affordable accessible housing and services.

E. Barriers

The Housing Advisory Committee identified multiple and complex barriers that stand in the way of Pennsylvanians meeting their long-term living needs for housing and services. In order to facilitate discussion, the group divided the barriers into the following four categories. A complete list of barriers identified is provided in Appendix A. The following summarizes the barriers.

⇒ **INCOME AND FUNDING BARRIERS**

The fundamental barrier to Pennsylvanians being able to meet their needs for housing and services is the gap between the cost of housing and services and their ability to pay for that housing and services. This is an affordability problem: while housing is considered affordable if rent or mortgage plus utilities do not exceed 30% of annual household income, a high percentage of individuals needing long-term care are paying far in excess of that for decent housing. While many of these individuals would qualify for government subsidized housing programs, funding for these programs is woefully

insufficient to meet the demand. Funds are insufficient for both the development and operation of new subsidized housing. In addition, a majority of the subsidized housing being built in Pennsylvania is affordable to households with incomes at 50-60% of the area median. Households receiving SSI fall below 20% of the median income, which means they need additional subsidies for those units to be affordable.

As described above, many elders and others needing long-term care would prefer to remain in or return to their homes. Many of these homes require or will require home repairs and/or modifications. Not only are funds for these costs insufficient, but also navigating the programs can be harrowing. Additionally, certain repairs and modifications are ineligible and/or exceed maximum program costs and family contributions to cover repairs and modifications can impact on SSI and/or waiver eligibility.

Finally, while services are available to many Pennsylvanians through federal Medicaid waivers, those who do not qualify for a waiver are unable to afford the services they need. Without the above options, many individuals are forced to spend down their assets in order to qualify for a waiver program and/or to enter a personal care or nursing home.

⇒ **ELIGIBILITY, RULES AND REGULATORY BARRIERS**

There are many rules and regulations that stand in the way of people meeting their housing and service needs. Four major barriers are: zoning and other land use regulations that impede the development of new affordable housing options; admissions policies that deny access to individuals with no or bad credit and/or criminal histories to public and private rental housing; program and benefits eligibility requirements such as assets and income limits that prohibit individuals from saving for home maintenance and repair; and regulations that limit the scope and type of home modifications and repairs.

In addition, federal fair housing laws that require certain home modifications to be removed from a property after the person leaves, serves as a disincentive to making the modifications. Other barriers are erected by the lack of incentives and preferences that might benefit elders and others needing long-term care. For example, although local housing authorities can adopt a preference in their Section 8/Housing Choice Voucher Program for individuals transitioning from nursing homes (which would advance their names on the waiting list) few PHAs have taken advantage of this opportunity. Finally, the lack of consistency, coordination and expedited review among various programs complicates and slows down the process.

⇒ **KNOWLEDGE BARRIERS**

There are steep barriers due to the lack of knowledge of existing laws, programs and resources. Developers and builders are unaware of the market demand for affordable accessible housing. County officials are unaware of the extent of the need in their communities and lack good data that demonstrates this need. Elders, people with disabilities and others who need

long-term care lack information on resources and options available as well as on their rights and responsibilities with regard to both housing and services. Housing industry professionals are unaware of services available to individuals purchasing or renting their housing, and service providers are unaware of housing resources and options available to their clients. Information on experienced architects, contractors and other home modification professionals is also deficient. This lack of information contributes to and exacerbates community opposition and discrimination against people needing long-term care. As a result, certain resources are underutilized and others remain insufficient due to lack of input to policy makers and legislators that allocate tax dollars.

⇒ **OTHER BARRIERS**

There are a number of other significant barriers that hinder people from obtaining the housing and long-term care that they need on both the community and individual level. While some communities have an adequate number of housing units and just need subsidies to make those units affordable, others lack adequate housing stock. In other communities the housing may be both adequate and affordable, but not located near an individual's family, friends and other supports. Inadequate public transportation systems in many communities create additional limitations associated with obtaining and receiving medical care, and preventing community isolation.

Many of these barriers stem from the lack of a state and local infrastructure to ensure adequate housing capacity and linkage of persons with long-term living service needs to affordable and accessible housing. Smaller communities especially lack the capacity to access existing and new resources. Many have no staff in the office of the area agency on aging, center for independent living, or other home and community based service agency that has expertise in the area of housing. And there may be no housing developers active in the area dedicated to expanding affordable accessible housing options. While many communities have an active Local Housing Options Team (LHOT) or other housing coalition, their efforts may be devoted to other populations needing housing. These deficits result in lost opportunities and mounting unmet housing needs.

F. Recommendations

The following recommendations seek to address the above-presented barriers.

Although data enumerating the future housing needs and preferences of the target population is not currently available, the goals of these recommendations are to address the current housing needs of the target population as well as to create the needed infrastructure and data collection systems to best address the future housing needs of individuals needing long-term living services. Once additional data becomes available the distribution of resources and numbers targeted may need to be adjusted.

Despite the need for additional data, it is known that 43,000 individuals, all of whom are low and moderate income, are projected to need home and community based waivers by 2010. Using this data, and the conservative assumption that 20% of these individuals will need housing resources, sufficient housing resources will be needed for 8,600 waiver participants. Although this number does not include projections for individuals receiving long-term living services who are not waiver participants, these recommendations and resources are designed to prevent institutionalization and enable aging in place.

It is strongly recommended that resources be made available to:

- Assist 250 individuals currently in nursing homes primarily due to the lack of accessible affordable housing²¹. 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 they need. If this sample of individuals represents others seeking assistance to transition, this process will go a long way towards informing future efforts.
- To ensure adequate housing resources are 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 individuals have been identified as low acuity and have been in nursing homes for more than six months. Housing resources include the development of new rental units, home modifications, rental assistance, and/or transition costs.

The following goals are recommended for the next five years:

- In order to support the target population currently living in the community, the following resources will be needed:
 - Ensure the availability of adequate resources for home modifications, assistive and building technology and support service resources to an additional 3,000 households in order to enable aging in place and prevent nursing home placement;
 - Generate, target, and/or set-aside sufficient resources to develop 600 additional units of affordable, accessible rental housing throughout the Commonwealth for the target population. These units should be affordable to individuals who have SSI or Social Security as their only source of income;
 - Generate, target, and/or set-aside sufficient resources to provide tenant-based rental assistance and project-based operating

²¹ In 2007 counties identified 248 individuals who desired to transition from the nursing home to community-based living but lacked necessary affordable housing options.

assistance to augment Housing Choice Vouchers for 4,300 additional households who need long-term living services.

Accomplishing these goals will require the Commonwealth to:

- Expand and strengthen Pennsylvania’s home and community-based services infrastructure;
- Be flexible enough to respond to the local needs in each community;
- Ensure the maximum use of existing housing resources through:
 - Continuation of efforts to convert or adapt nursing homes and other facilities; and
 - Continuation of efforts to preserve and modify homes occupied by elders and persons with disabilities.
- Create new financing models for existing housing and service programs;
- Support the development and financing of new housing options.

The Advisory Committee strongly recommends that OLTL, DPW, PDA, PHFA and DCED endorse and implement this report. Each department should review and modify all relevant policies and regulations to be consistent with the report recommendations. As appropriate, each department should also provide incentives to encourage counties and local governments to develop a range of housing options with access to long-term living services.

In addition to the endorsement of this report, it is recommended that OLTL, DPW, PDA, PHFA and DCED endorse other related reports that impact on the housing and long-term living services of the target populations, including: the Housing Alternatives Work Group Report; the Assisted Living Work Group Report; the Home and Community Based Care Barriers Elimination Work Group Report, and the report of the Home Modifications Task Force.

The specific recommendations that follow are presented in five categories: increasing housing options and opportunities; prevention; nursing home transition; knowledge and coordination.

Appendix B provides a chart that lists all the recommendations by number and identifies on which area each recommendation will have an impact: rental housing, home ownership, home modification and/or services.

Increase Housing Options and Opportunities

Goal: To increase the affordability, availability and accessibility of housing for the target population. This includes sufficient resources to develop 600 additional units of affordable, accessible rental housing and to provide tenant based rental assistance and project based operating assistance to leverage Housing Choice Vouchers for 4,300 additional households throughout the Commonwealth.

1. PHFA/DCED/DPW work to leverage public housing authority (PHA) resources to yield additional rental assistance vouchers. This would involve developing and implementing incentives and strategies for:

- Project and tenant based rental assistance (TBRA). OLTL committed \$750,000 in 2007 towards TBRA and another \$2.75M in 2008. These rental assistance funds are designed to provide a “bridge” while individuals are on waiting lists for permanent PHA vouchers. This allocation should continue to increase by 25% per year for at least the next 5 years;
- PHAs to adopt preferences and set-asides in public housing and housing voucher programs for people with disabilities and/or individuals transitioning from nursing homes;
- DPW to explore development of a program to financially support PHA and other affordable housing Service Coordinators in order to provide PHAs and other affordable housing providers assistance with housing special needs populations;
- PHA’s to use their existing Voucher award funds to increase FMR to the allowable maximum of 120% for voucher holders with a disability in order to leverage this increase to incentivize landlords to make units for accessible.

2. OLTL/DPW/PDA/PHFA/DCED explore and implement ways to increase affordability for individuals living in the community and those transitioning back to the community through expanding resources.

- PHFA currently has a 5% set-aside of Low Income Housing Tax Credits for permanent supportive housing. It is recommended that additional strategies be implemented in order to expand the number of Permanent Supportive Housing units developed. Strategies may include increasing the set-aside or mandating the integration of these units in all developments that receive PHFA or other state funding. These units must be affordable to individuals with SSI and Social Security level incomes and be integrated with resources for services such as LIFE and other waiver services.
- Affordable assisted living as well as living arrangements including shared housing, limited equity co-ops, and other models such as those recommended in the Housing Alternative Work Group (HAWG) report should be expanded. Five innovative projects resulting in new housing options, selected through an RFP process, should be piloted across the state. One pilot has recently been initiated.
- The development capacity of nonprofit developers should be expanded by providing statewide pre-development dollars for projects serving the target population.
- TBRA should be packaged with waiver services and made available to private landlords who commit to providing rental units to the target population for specified periods of time.

3. PHFA/DCED/SDHP to provide new accessible units each year through the increased development of barrier free housing. This effort should also include improved advertising of accessible features and the use of design principles that improve accessibility. This includes:

- PHFA/DCED adopting more aggressive incentives in order to increase the use of assistive and building technology features;
- SDHP working with PA SILC explore ways to strengthen the existing tax credit law for Visitability;
- DCED working with Penn State Housing Research/Resource Center and AIA to establish a statewide design collaborative that specializes in accessibility, universal design and home modification; and
- PHFA working with the State Realtors Association to develop a pilot project to incorporate accessible features in local real estate listings including ways to show properties to the target population.
- PHFA working to expand the number of developments listed on the Pennsylvania Affordable Apartment Locator.

4. DPW/OLTL/PDA/PHFA/DCED with Self-Determination Housing Project work to increase available housing options for individuals seeking to transition from nursing homes who have no or bad credit, criminal histories and other factors that make them poor risks for admission to public and private housing. This includes:

- The use of strategies such as master lease programs in which nonprofit agencies lease housing and then sublease to individuals;
- Educating NHT coordinators, case workers, participants and family members on how to obtain and interpret PHA policies around preferences, criminal records, credit issues and tenant selection; and
- Providing incentives to private landlords to rent to those at risk through the creation of a restitution fund for landlords to recoup monies lost due to actions of tenants certified through the state funded Prepared Renters Program (PREP). A pilot is currently underway with a local Public Housing Authority that will make exceptions to their selection criteria in order to admit PREP graduates.

5. DCED create and/or disseminate a “How to Guide” in order to educate municipal officials about local methods for increasing accessible, affordable housing options to the target population. Information should include:

- The importance of including aging and disability advocates in the Consolidated Plan process in order to demonstrate the need for resources
- How fair housing laws, including reasonable accommodation, can be used to assist people with poor credit and criminal histories;
- The benefits of visitability, including state tax credits and model local visitability ordinances; and
- Model zoning ordinances, including mechanisms for converting large single family homes into accessible apartments.

Support Aging in Place

Goal: To support aging in place and prevent the unnecessary institutionalization of individuals currently receiving home and community based services. This includes improved coordination among and access to home modification programs and resources in order to support aging in place by retro-fitting existing housing to meet the needs of individuals within the target population. These actions should result in adequate resources to provide home modifications, assistive and building technology and supports to an additional 3,000 households.

The Committee recommends that:

6. DPW/OLTL/PDA/PHFA/DCED explore and implement funding for renovations and physical changes to existing homes that enable people to age in place. This includes:

- Additional resources for home modifications.
- Mechanisms to support the on-going home maintenance and emergency repairs of individuals within the target population who own their own homes. This includes,
 - PA Health Law Project researching establishment of a mechanism that will allow Social Security and waiver participants to save money for on-going home maintenance and emergency repairs without affecting their waiver eligibility;
 - DPW entering into a dialogue with Social Security to explore ways that families can provide financial support for community-based living (e.g. down payment for home ownership or deposit for rental unit) for persons receiving SSI or waiver benefits without affecting their social security and/or waiver eligibility;
 - PHFA/DCED/DPW/OLTL/PDA establishing a statewide home maintenance emergency fund for individuals being diverted or transitioning from nursing homes in order to support community-based living; and
 - PDA exploring AAAs use of PDA block grant dollars for home modifications to prevent safety risks and/or nursing home placement for persons not eligible for waivers.
- **Assistive and building technology.** The installation of assistive and building technology features can assist individuals to age in place and prevent institutionalization. This type of technology has been found to decrease the number of hours needed from attendant or family supports, prevent injury, and identify various types of problems before they become serious. Additionally, technology can help off-set the anxiety associated with elderly or disabled family members living alone in the community; and
- **Conversion of subsidized rental housing** from independent housing to include housing with supports utilizing resources such as HUD's Assisted Living Conversion Program as described in the Housing Alternatives Work Group Report.

7. DPW/OLTL/PDA **explore and implement funding** for services such as:
- Adult day care to support the health of individuals living independently in the community;
 - Support and coordination of resources through Targeted Medical Case Management;
 - The expansion of Resident Service Coordination programs;
 - The expansion of OLTL's Long-Term Living Counselor roles to include public education and outreach efforts.

8. DPW/OLTL explore and implement **community-based spend down rules for waiver services** similar to those used in nursing homes. This type of initiative will help to support the health and safety of those living independently in the community.

9. OLTL/DPW/DCED to work with Office of Vocational Rehabilitation (OVR) to **implement statewide standards for home modifications** based upon the recommendations of the Home Modifications Task Force and as recently implemented by DCED.

10. DCED identify and disseminate information on **successful mechanisms for accessing and coordinating home modification grants and loans** on the local level;

11. PHFA/DCED/DPW to work with OVR to **assess and streamline current home modification regulations** including:
- Issuing guidance for coordinating home modifications funded through waiver dollars with other grant funds including clarification of "funds of last resort";
 - Removing restrictions on home modifications outside the footprint of the home;
 - Researching and disseminating information on alternatives to the current three minimum bid requirements for home modifications funded through waiver dollars; and
 - Expansion of PA Accessible Housing Program and other resources in order to provide home modifications to individuals who do not currently qualify for waiver services. The PA Accessible Housing Program provides funds for home modifications in 38 counties across the state. This program allows for higher income limitations than the waivers and individuals must have a permanent disability, however, they do not have to be nursing home eligible. This program has a long waiting list and lacks sufficient funding to meet the current need;
 - Identify and remove impediments to the modification of manufactured homes, which are an important housing resources in rural areas.

12. OLTL research the **feasibility of making home modifications an eligible activity through the attendant care waiver**.

Nursing Home Transition (NHT)

Goal: To ensure adequate housing resources are available to transition 700 individuals annually who have been in nursing homes for more than six months back into the community. Housing resources include the development of new rental units, home modifications, rental assistance, etc.

The Committee recommends that:

13. OLTL/DPW implement statewide program for the post verification of income and resources (formerly called Community Choice pilot) in order to expedite home modifications and the transition to community-based living. Through this initiative, local cooperative arrangements among key players in the HCBS service delivery system are established so that individuals can quickly and easily become eligible for community services and resources;

14. DPW/OLTL in order to facilitate nursing home transition, **increase the maximum amount of waiver dollars** that can be used for home modifications; and **modify current regulations** that prohibit the use of waiver dollars for home modifications prior to occupancy by the recipient. DPW/OLTL to create a process to annually review and adjust the maximum amount of waiver dollars available for home modifications to reflect the actual needs of clients;

15. DPW/PDA continue to **provide special funding for Nursing Home Transition** to cover necessary but ineligible costs during nursing home transition (e.g. replacing carpet with tile or wood flooring to make home more usable and livable and providing home modifications outside the footprint of the home);

16. PHFA/Self-Determination Housing Project assess the Prepared Renters Program (PREP) to determine how to maximize its effectiveness assisting individuals in nursing homes with a history of criminal activity and/or poor credit to be prepared to obtain and maintain housing;

17. OLTL to **restructure the Domiciliary Care model of housing and increase their use by 50 beds per year**, thereby utilizing existing community based housing resources.

Knowledge

Goal: To ensure that all stakeholders have information regarding affordable accessible housing and support services. When feasible, training should be conducted by disability and aging groups and training materials should be made available to the public.

The Committee recommends that:

18. PHA's and existing and potential Section 8/Housing Choice Vouchers (HCV) landlords work to expand rental opportunities for members of the target population by providing educational packets to landlords that contain information about:

- the benefits of renting to persons with disabilities;
- accessible housing issues;
- fair housing laws and regulations including reasonable accommodations;
- home modification laws, regulations, and programs, including reasonable modifications;
- how to access services and supports available to tenants; and
- methods for showing units/properties to prospective renters with disabilities.

19. DCED/DPW/ PHFA to provide local municipal officials with information on successful housing programs for the target populations. This includes knowledge about the zoning for shared housing and Domiciliary Care homes; data on the needs of persons with disabilities, and the names of disability organizations. These educational materials may include personal stories of participants, landlords and others;

20. PHFA/DCED create an easy to understand "How to" users guide for agencies, individual participants and family members **on home modifications** including basic information (e.g. awareness of home mod matrix located on JEVS website) and examples of creative home modifications (e.g. those that address challenging design issues);

21. PHFA/DCED work with PA Department of Education to develop a Task Force to work with colleges and universities in assessing current curricula in higher education and recommend changes to better incorporate housing and long-term living issues, including design, discharge planning and assistive and building technology.

22. DCED/OLTL/PDA/DPW work with PA Department of Health (DOH) and Emergency Management Agency (PEMA) to educate municipal officials about transition efforts and the number of aging and disabled individuals living in the community in order to coordinate efforts and prepare for emergencies including:

- special considerations in the event of an emergency evacuation, including individuals who are immobile and/or technology dependent
- special need evacuation centers
- interim housing issues
- issues involved with allowing individuals to return to their community.

Coordination

Goal: To build state and local infrastructure to ensure adequate housing capacity and linkage of persons with long-term care service needs to affordable accessible housing.

In order to coordinate the implementation of this report, PHFA/DCED/DPW/OLTL/PDA are advised to create **a state steering committee that meets quarterly** in order to: identify and address ongoing policy, program and regulatory issues; update and supplement data; monitor and adjust the goals of the report; and ensure coordination around the planning and delivery of housing and services in the Commonwealth.

23. DPW/OLTL/PDA/PHFA work with local AAAs, CILs, United Cerebral Palsy agencies (UCPs) and other agencies serving the target population to **increase providers understanding of housing issues**. This includes:

- OLTL/PDA **mandate the appointment of dedicated housing staff** by AAAs and CILs to address the affordable housing and service needs of the target population;
- PHFA/DCED/OLTL expand local capacity through staff support, training and technical assistance, targeting areas where there are housing shortages and other significant unmet needs. Agencies who hire dedicated housing staff should be given priority for receiving technical assistance on ways of expanding housing opportunities for targeted households;
- DPW/PHFA continue to **support the Regional Housing Coordination Program of the Self-Determination Housing Project** and mandate their coordination and collaboration with nursing home transition coordinators, care managers, supports coordinators, Resident Service Coordinators and other human service professionals in order to create linkages between housing and service resources;

24. DPW continue to **support the establishment and development of Local Housing Options Teams** and other local and regional cross system and cross disability collaborations that bring together housing and human service professionals with participants and family members to identify and address housing needs of elders, persons with disabilities and others with special needs; and

25. DPW **mandate coordination between local mental health offices and agencies providing long-term living services** in order to ensure appropriate community based supports for individuals with behavioral health issues.

G. How to Implement and Finance Report Recommendations

Goal: To provide adequate financial resources to ensure that affordable, accessible housing is available for all populations needing long-term living services in Pennsylvania.

The purpose of the Housing Advisory Committee was to develop a strategic plan for meeting Pennsylvania's needs for affordable accessible housing, including access to the necessary services to support community based living. Due to the extremely limited resources available, the Committee pursued inclusive and creative thinking in the development of these recommendations. Following are three strategies for financing the recommendations made in this report.

1- Investment of resources

The Committee recommends **the establishment of a dedicated Community Living Fund**. Savings accrued from systematic rebalancing efforts of the Office of Long-Term Living, including savings from nursing home transition and other cost saving initiatives would be deposited into this account. Those funds would then be directed to expanding community resources and infrastructure, including specific housing initiatives and home and community based alternatives. Guidelines should be developed for the expenditure of dollars from the Community Living Fund to ensure their reinvestment into a range of both proven and innovative community-based housing. The Committee believes that this Fund should be sufficient to pay for a good number of the initiatives recommended in this report, starting with the five priority areas outlined in the Executive Summary.

Other investment strategies include implementation of the Nursing Facility Partnership Plan to re-balance and/or reconfigure nursing facility assets to meet the change in future demand and support home and community based care. This includes the collection and dissemination of information on models for downsizing and/or converting nursing homes to increase home and community based alternatives.

2- Targeting and Set-aside of Existing Resources

The Committee recommends that certain existing resources be targeted or set-aside to meet the needs of individuals requiring affordable housing and long-term living services. As part of these targeting efforts, where possible, relevant state agencies should review and consolidate funds that are allocated for the same purpose. For instance, funds for home modifications could be more efficiently used if managed through a single agency.

There are already good examples of this, such as the DPW/PHFA set-aside of tenant based rental assistance dollars for nursing home transition.

The first year allocation for this program was \$750,000 and the second year \$2.75M. It is recommended above that the program continue to expand 25% each year for the next five years. This Committee also encourages all of the departments mentioned in this report to target additional resources to underserved areas and populations.

It is specifically recommended that a **higher percentage of existing state and federal resources be allocated to both tenant based rental assistance and project based operating assistance to benefit the target populations.** Strategies to implement this recommendation should include:

- Increasing the amount of the Permanent Supportive Housing by increasing the set-aside in the Low Income Housing Tax Credit Qualified Allocation Plan, and/or by mandating the integration of these units in all developments that receive tax credits and other state resources;
- Increasing the amount of State HOME dollars set-aside for rental assistance; and
- Providing incentives for participating jurisdictions across the state to invest their HOME or other local dollars into rental assistance.

Other targeting strategies include:

- Providing incentives to communities to set-aside local dollars for home modification programs that target nursing home transition and other populations needing long-term living services;
- Working with HUD “entitlement” communities to use the Consolidated Plan process to identify unmet needs and designate federal dollars for community-based housing and long-term living alternatives; and
- Evaluating the current use of Act 137 local housing trust fund dollars in Pennsylvania and developing strategies to increase the size of local housing trust funds and their use for the target populations.
- Expansion of the Office of Mental Health and Substance Abuse Services pilot project in Allegheny County to allow persons with serious mental illness to use state SSI supplement dollars to move to the community from personal care boarding homes. The expansion should include individuals within other targeted populations and should provide boarding home residents with this option at anytime they choose, rather than only when the personal care boarding home is closing.

3- Generation of New Resources

The Commonwealth must continue to pursue any and all opportunities to bring new dollars to Pennsylvania for affordable housing and long-term living services. This includes pursuit of new federal grant opportunities, (e.g. CMS Housing Grant and Money Follows the Person) that can enhance efforts to rebalance the state's long-term living budget; support for federal and state housing trust fund legislation, and advocacy for additional federal dollars for programs such as the HUD HOME, Section

202 and 811 programs and, most especially, for increased Section 8/Housing Choice Vouchers for Pennsylvania. Specifically,

- PHFA/DCED/Governor's Office should **work with the PA Association of Housing and Redevelopment Authorities (PAHRA)** to implement this report's recommendations, as well as educate and advocate for increased federal funding for the Housing Choice Voucher, HOME and other federal programs that provide rental assistance for the targeted populations;
- PHFA/DCED/DPW/OLTL/PDA should work with the Pennsylvania Housing Alliance to continue to generate public and private support for proposed **federal and state housing trust fund legislation and to ensure that a significant portion of those dollars be targeted to rental assistance for low income households**; and
- PHFA should work with the Department of Banking to establish a public-private Task Force in order to **educate lenders about the needs of people with disabilities** and further expand private resources available to the target population. The Task Force should be charged with evaluating the current products of private lending institutions for people with disabilities and identifying strategies for expanding public and private products and programs.

In addition to the above mentioned formal resources, the Commonwealth must communicate the needs of the target population to the broader community. Local non-profits, faith based organizations, sororities, fraternities, and volunteer groups may be able to provide various types of assistance such as minor home repair and home modifications that promote aging in place and lead to increased quality of life.

H. Conclusion

Through increased coordination, collaboration, and accessible information, this report proposes the foundation of a plan for promoting participant choice and community integration by increasing affordable and sustainable accessible housing and long term living service options.

There are incontestable psychological and financial benefits to home and community based services over facility based care. It stands to reason that since a high percentage of individuals prefer to remain in their own homes, home and community based housing and service options will result in higher satisfaction with living arrangements than institutional care. Although it is impossible to document all of the benefits of the above recommendations, a few specific benefits include:

- Community based long-term living “promotes self-sufficiency, encourages cost-saving interdependence between friends and neighborhoods in the community and offsets social isolation”²².
- Home and Community Based Services are more cost effective. In PA, the average Medicaid funded nursing home bed costs the Commonwealth \$52,000 per year whereas those who have been transitioned from the nursing home use approximately \$21,000 per year in home and community based services.
- Individuals under age 65 who have transitioned to the community from nursing homes experience improved health, improved quality of life and maintain the ability to perform basic daily activities²³.
- Throughout PA, where individuals have been able to “age in place” with targeted case management services, 90-95% of those individuals stayed in place until they died.
- Appropriate home modifications and personal-care attendants are cost-effective methods to support seniors and individuals with disabilities in maintaining a high level of functioning, preventing catastrophic events and slow declines in functioning.²⁴

With the continuing leadership and support of the Office of Long Term Living and the Pennsylvania Housing Finance Agency, the Commonwealth of Pennsylvania can use this report and its recommendation to achieve its goal of balancing the long term care system by the year 2020.

²² Lawler, K. Aging in Place, Coordinating Housing and Health Care Provision for America's Growing Elderly Population. Accessed from http://www.jchs.harvard.edu/publications/seniors/lawler_w01-13.pdf.

²³ Beyond Olmstead: Community-Based Services for All People with Disabilities. Accessed from <http://www.ahrq.gov/news/ulp/olmstead/olmstd3.htm>.

²⁴ Ibid.

Appendix A: Barriers

The Housing Advisory Committee identified multiple and complex barriers that stand in the way of Pennsylvanians meeting their long-term living needs for housing and services.

Rental Housing

Income and Funding Barriers:

- individuals lack sufficient income to afford Fair Market Rents
- no SSI supplement increase in high cost areas – in many communities the current location of affordable housing units impedes housing choice and access to services
- lack of sufficient funding for the following:
 - state-wide rental assistance program
 - capital funding for new rental housing
 - operating subsidies for rental housing
 - home modification programs
 - warranties, repairs and home maintenance costs
 - grants to restore unit to previous condition

Eligibility, Rules and Regulations Barriers:

- rental restrictions based on criminal record, credit issues, poor rental history, etc.
- lack of waiting list priority for Nursing Home Transition by local housing authorities
- lack of incentives for landlords to keep home modifications when initial tenant moves out
- zoning regulations limiting the number of unrelated individuals living together

Knowledge Barriers:

- discrimination; community opposition; not in my back yard type of resistance
- landlords lack of knowledge of available resources for services and home modifications
- lack of comprehensive resource inventory for housing on both a state and local level
- lack of sound data on needs
- lack of knowledge by developers of the extent of market demand for accessible housing
- fear of liability by landlords
- underutilization of certain resources: United States Department of Agriculture (USDA), Section 8 Home-ownership programs, Housing Choice Voucher preferences and Section 8 Project Based Vouchers
- lack of knowledge by realtors: not clear on the needs of someone with a disability
- lack of information about non-traditional housing options
- lack of understanding and enforcement of Section 504 and Fair Housing laws

- need for design counseling for developers and contractors to do accessible housing and home modifications

Other Barriers:

- disconnect between what population needs and what is actually available (e.g. unit size of accessible housing stock)
- lack of available transportation in areas where there is available housing (limits the opportunity for access to larger community)
- lack of continued housing related follow-up after initial move to community based housing to ensure long term housing stability and access to appropriate services
- shortage of rental housing stock in certain areas

Homeownership

Income and Funding Barriers:

- lack of sufficient income for down payment, closing costs, insurance, taxes, long and short term maintenance needs
- current location of affordable housing units impedes housing choice and access to services
- family contributions to living expenses can impact on waiver eligibility and SSI benefits
- Costs rising faster than income, creating affordability problems especially for those on fixed incomes
- Low income people are more susceptible to sub-prime loans, loan default, and predatory lending

Eligibility, Rules and Regulations Barriers:

- bad or no credit history
- savings for maintenance and repairs may affect receipt of benefits
- zoning regulations limiting the number of unrelated individuals living together

Knowledge Barriers:

- discrimination
- need for design counseling
- inability to locate accessible homes and evaluate accessible and potentially accessible homes
- lack of information regarding pooling income to obtain housing

Other Barriers:

- disconnect between what population needs and what is actually available (e.g. unit size of accessible housing stock)
- lack of available transportation in areas where there is available housing (limits the opportunity for access to larger community)
- lack of continued housing related follow-up after initial move to community based housing

- modifications to properties results in perceived devaluation of the subject property and neighboring properties

Home Modifications

Income and Funding Barriers:

- some home modifications that are necessary to improve quality of life are ineligible for funding
- high costs associated with retrofitting versus new construction
- ineligible costs (e.g. funding may put in stair glide but not upgrade the electric to run it; removing carpeting to make the space more healthy, usable and livable)
- difficulty in navigating multiple funding sources for home modifications
- typical cost of home modifications often exceeds the maximum amount of funds available under home modification programs
- lack of funding to maintain accessible housing, including: warranties and repair; maintenance cost of equipment
- lack of sufficient funding for home repair grants at the state and local level
- lack of funds to pay for home modifications prior to moving individuals out of nursing homes

Eligibility, Rules and Regulations Barriers:

- existing regulations do not allow waivers to be flexible enough to provide home modifications to all who need them (e.g. those in manufactured housing)
- restrictions to adding home modifications (with waiver dollars) outside the footprint of the home
- lack of spend down option for waivers limits financial assistance for home modifications in households whose income exceeds the maximum qualification
- home modifications are ineligible in some programs if major code violations exist
- bidding requirements for waiver program: must get 3 quotes for waiver approval of home modifications and may have to take the lowest bid
- lack of coordinated process with time and money for completing home modifications (e.g. when an individual is moving from rental to ownership, the home modifications cannot be completed until after the closing, however, the individual cannot move in until after the home modifications are complete)
- lack of administrative support to connect landlords and tenants to accessible units currently available

Knowledge Barriers:

- lack of knowledge about funds to pay for home modifications prior to moving individuals out of nursing homes

- landlords, contractors and administrators lack of knowledge about accessing funds
- complexity of understanding and accessing home modification resources (e.g. HCBS waivers are complicated)

Other Barriers:

- construction barriers (e.g. home may not accommodate modification)
- difficulty finding and/or lack of experienced contractors to perform home modifications

Support Services

Income and Funding Barriers:

- the flat funding and lack of COLA for programs has lead not only to a lack funding for services for existing participants but also an inability to serve additional participants
- the lack of funding has resulted in direct care workers having inadequate salaries, paid benefits, mileage compensation and holiday incentives
- lack of funding for Resident Service Coordination under the US Department of Housing and Urban Development (HUD) Section 811 and other housing programs for the target population

Eligibility, Rules and Regulations Barriers:

- lack of spend down option for waivers (only exists for nursing homes)
- lack of adequate transportation, including shared ride limitations (e.g. no shared ride after 11pm, Sundays after 7:00pm and no service on holidays)
- lack of an expedited review process for waiver eligibility determination

Knowledge Barriers:

- lack of knowledge of assistance available by families, landlords, participants
- poor discharge planning (hospitals and rehab)
- lack of comprehensive resource inventory for services on both a state and local level
- municipal officials lack the knowledge of the number and location of persons with disabilities, possibly creating safety risks in the event of an emergency and/or disaster

Other Barriers:

- workforce availability
- lack of available services and/or transportation to access services
- lack of back-up for assigned caregivers and care attendants
- lack of connection and communication between housing and service providers
- lack of consistent mechanisms for preventive support services
- long waiting lists for some services in some communities
- lack of coordination among community agencies to coordinate existing programs and resources (e.g. meal programs in senior housing)

Appendix B: Glossary

- **Affordable housing.** Affordable Housing is generally defined as housing where the occupant is paying no more than 30 percent of his or her adjusted gross income for housing costs, including utilities. Households paying greater than 30% of their income for housing are considered cost burdened and those paying greater than 50% of their income for housing are considered severely cost burdened.
- **Development subsidies.** These are funds used to reduce the cost of developing affordable housing.
- **HOME.** The HOME Investment Partnership Act was authorized under the National Affordable Housing Act of 1990. It is a formula-based allocation program intended to support a wide variety of state and local affordable housing programs. The formula funding allows state and local governments flexibility to use the money in ways that best meet locally defined needs. Funds can be used for acquisition, construction, reconstruction and moderate or substantial rehabilitation activities that promote affordable rental and ownership housing. HOME funds can also be used for tenant-based rental assistance programs.
- **Housing Choice Voucher Program (Formerly called Section 8).** These rental subsidies are available through local Public Housing Authorities (PHA's). Some PHA's have a "preference" for people with disabilities which enables people with disabilities, including those with mental illness to receive priority for obtaining Housing Choice Vouchers.
- **Housing cooperatives.** Housing cooperatives provide affordable housing with maximum community control. The individual is member of a nonprofit corporation that owns and manages the development. The co-op resident becomes not only a co-owner of the cooperative but also a vital member of the community. This approach provides housing choices that balance the individual's support needs with his or her desire to live within a broader community.
- **Housing Trust Fund.** Dedicated capital pool established by legislation, ordinance, or resolution to receive specific on-going revenues from sources such as taxes, fees, or loan repayments. Proceeds can be used for a range of affordable housing including housing for people with serious mental illness and co-occurring disorders.

- **HUD Section 811, Supportive Housing for People with Disabilities.** Under the Section 811 Program, HUD provides funding to nonprofit organizations to develop rental housing for very low-income adults with disabilities to provide on-going rent subsidies for the projects to help make them affordable. Projects may be targeted to a single disability and supportive services are available.
- **LHOT, Local Housing Options Team.** LHOTs are formed at the request of County Mental Health Program Administrators, and bring together the key stakeholders at the county or regional level to identify the housing needs of people with Serious Mental Illness or Co-occurring Disorders to develop action plans, long-term solutions and specific housing options to meet their housing and supportive service needs.
- **LIHTC, Low income housing tax credits.** The Low Income Housing Tax Credit Program became law through of the Tax Reform Act of 1986. LIHTC does not provide loans or grants but rather a tax incentive to owners of affordable rental housing. The incentive is an annual tax credit (a dollar for dollar reduction in the tax payer's federal taxes) earned in the initial ten years following when the units are placed in service assuming program requirements are met. A developer markets or "syndicates" the credits allocated to the development to investors whose contributions are used as equity in the development's financing plan.
- **Nursing home transition.** An individual is considered an NHT participant if they meet criteria (1) and (2) below and either criteria (3) or (4):
 1. They are not scheduled to leave the facility via the normal discharge process
 - And**
 2. They have expressed a desire to relocate from a nursing facility
 - And**
 3. A documented barrier is overcome through Transition Coordination activities
 - Or**
 4. They have resided in the facility for over 6 month and are receiving MA services regardless of MFP enrollment.
- **PennHOMES.** The PennHOMES program, administered by the PA Housing Finance Agency (PHFA) offers interest-free, deferred payment loans for building, rehabilitating, or preserving rental housing for low- and moderate-income households.
- **Personal Care Home.** Personal Care Homes (PCH) provide lodging, food and some support services for people who are elderly or who have mental or physical disabilities; who are unable to care for themselves but who do not require 24 hour nursing services in a licensed nursing care facility.

- **Project Based Rental Assistance.** Site based rental assistance. The rental voucher subsidy is attached to a housing site, rather than to any specific person or family.
- **Reinvestment funds** – As part of the HealthChoices program if the County/BH-MCO has savings at the end of the contract year they can use the savings to develop services and supports that benefit the unmet or undermet needs of MA recipients. These funds are called “reinvestment funds”. These funds may be used in a subsequent Agreement year to purchase start-up costs for In-Plan Services, development or purchase of Supplemental Services or non-medical services, contingent upon DPW prior approval of the Primary Contractor’s reinvestment plan.
- **Rental subsidies.** Funds that supplement rental income, either through tenant-based rental assistance or project-based rental assistance (see definitions).
- **Shared housing.** Shared housing is a living arrangement where two or more unrelated people share a home or apartment to their mutual advantage. Each person has a private room and shares common living areas.
- **Tenant-Based Rental Assistance.** Assistance to low- and very low income families for obtaining decent, safe, and sanitary housing in private rental accommodations by making up the difference between what they can afford and the approved rent for an adequate housing unit.

Table 1: Pennsylvania's Aging Population

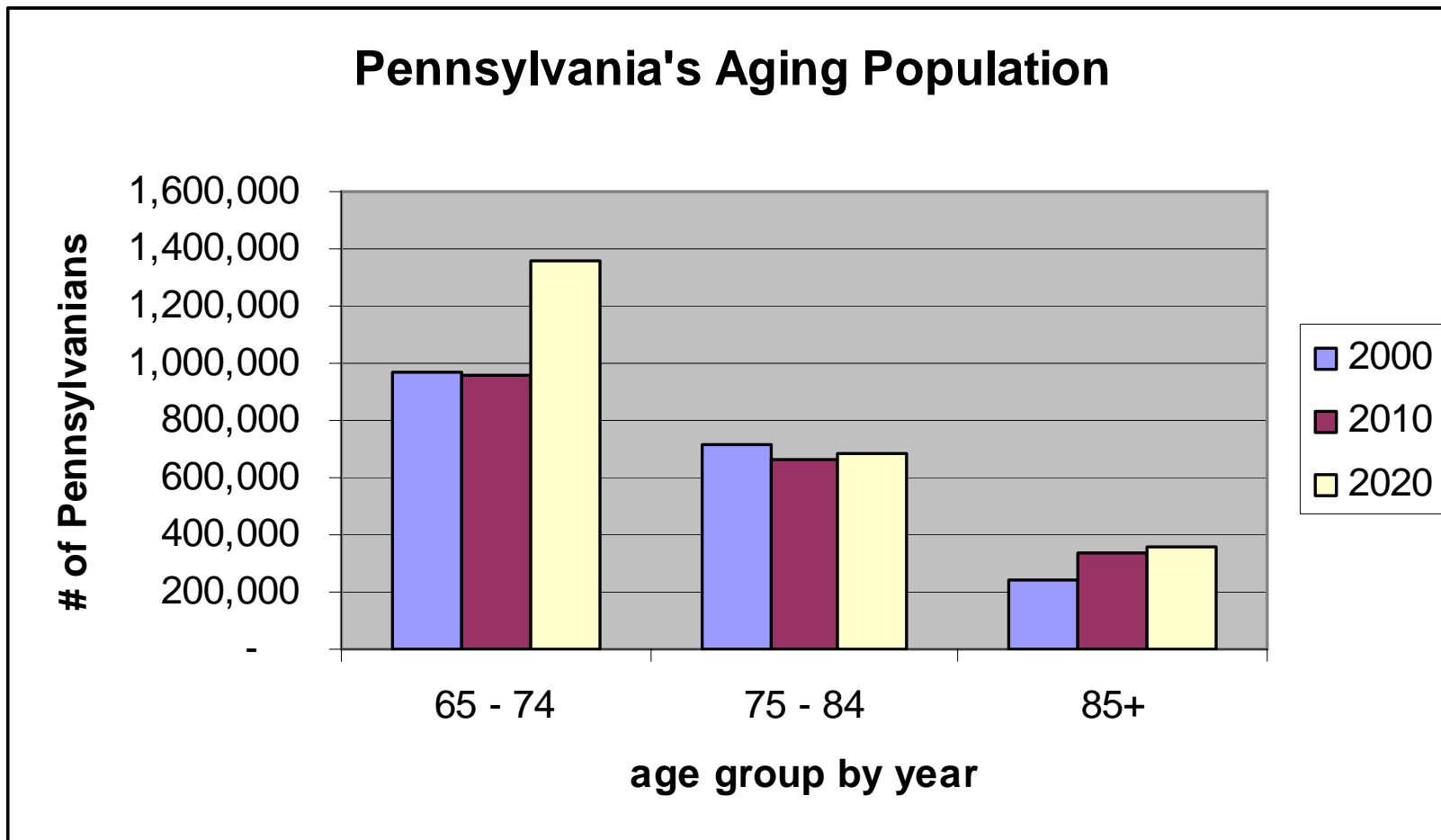


Table 2: Percentage of Renter Occupied Households in PA that are Housing Cost Burdened, 2005

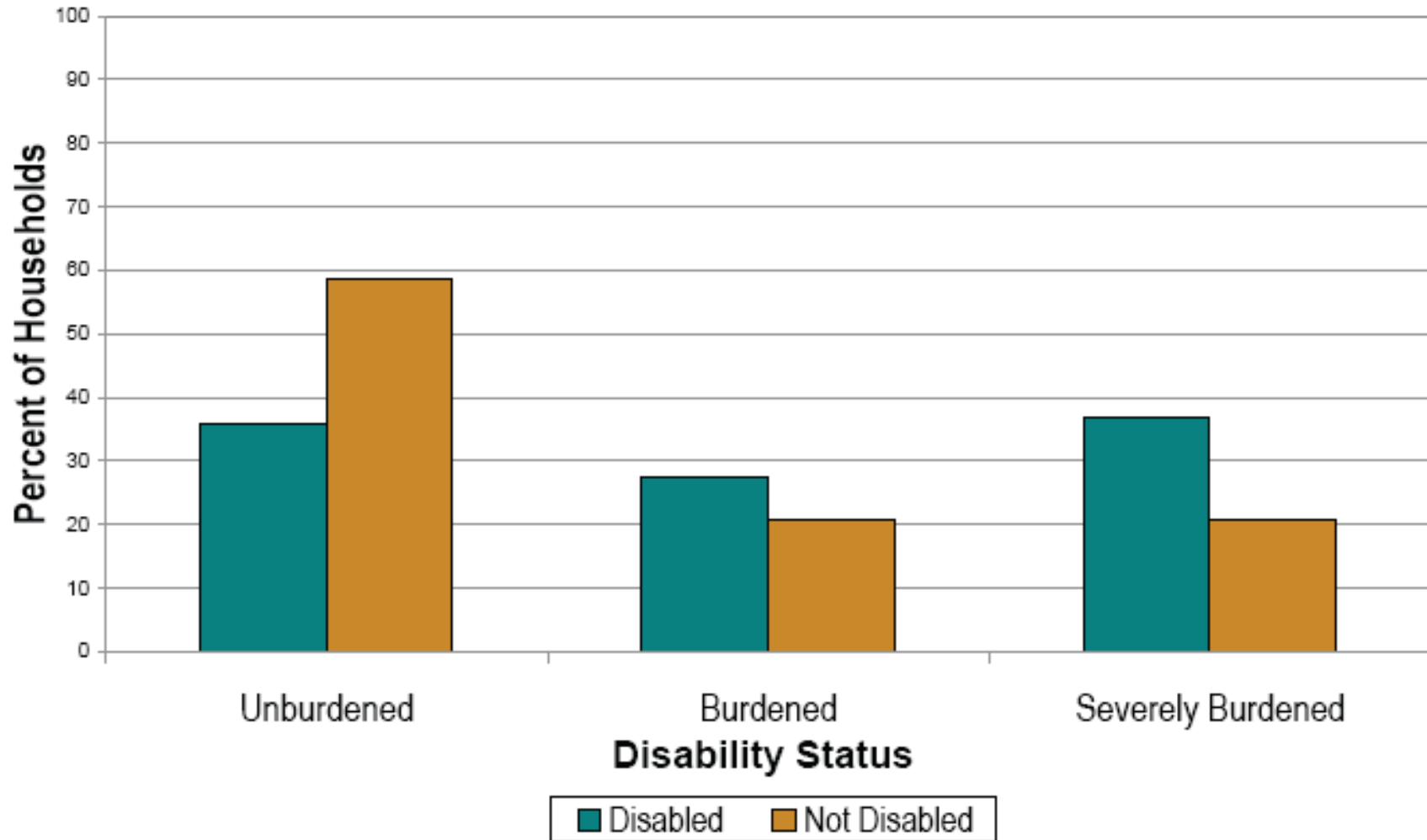


Table 3: Housing Cost Burden of Pennsylvania Renters by Age of Householder, 2005

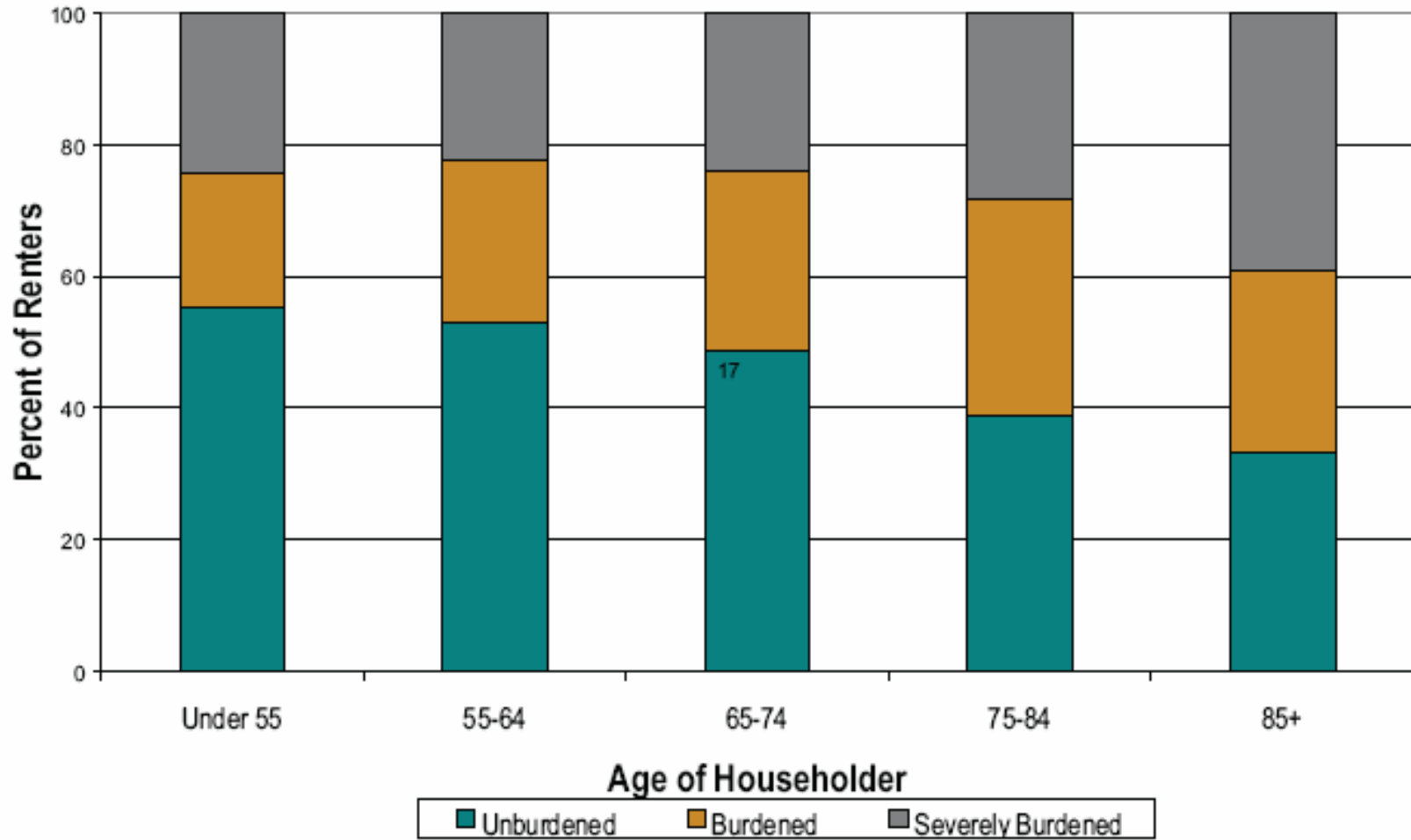


Table 4: Housing Cost Burdens of Pennsylvania Owners by Age of Householder, 2005

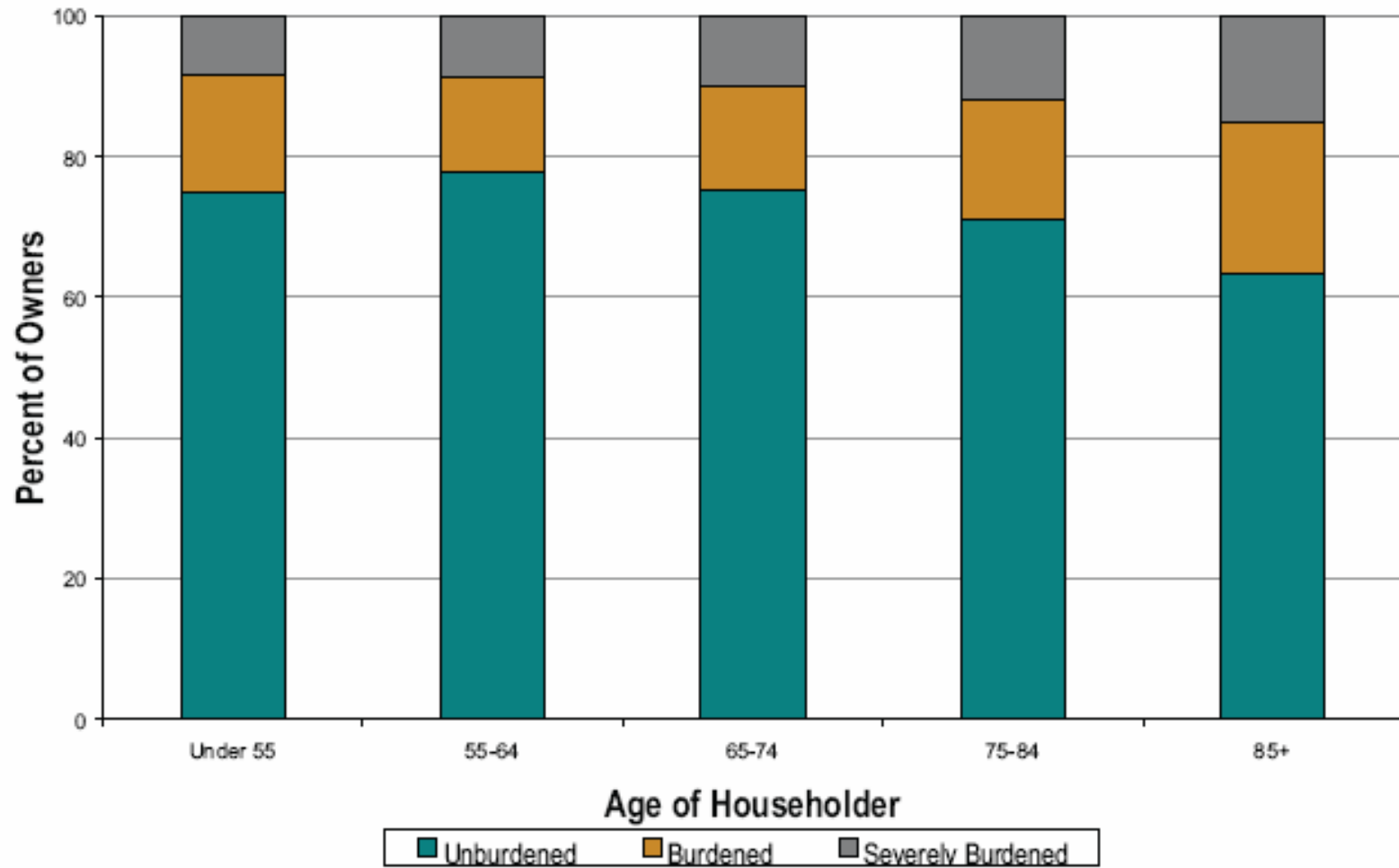


Table 5: Percent of Owner Occupied Households in Pennsylvania that are Housing Cost Burdened, 2005

