Testimony to the Appropriations Committee

In Support of the Governor’s Budget Proposal Related to the
Subsidized Assisted Living Demonstration Project
and the
Rental Assistance to Support for Long-Term Care Rebalancing Strategy

HB 7148, AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIAL ENDING
JUNE 30, 2021, AND MAKING APPROPRIATIONS THEREFOR

Presented by Mag Morelli, President of LeadingAge Connecticut

February 26, 2019

Good evening Senator Osten, Representative Walker, and members of the Appropriations Committee. My name is Mag Morelli and I am the President of LeadingAge Connecticut, a membership association representing over 130 not-for-profit organizations serving older adults across the continuum of care, services, supports and housing. Our membership includes not-for-profit providers of affordable senior housing, all of whom are committed to providing quality housing and services to their residents. We are pleased to present testimony this evening in support of the Governor’s proposal to fully fund the four Subsidized Assisted Living Demonstration sites and to increase the level of Rental Assistance to Support the Long-Term Care Rebalancing Strategy.

**Baseline Adjustments**

- Adjust Funding for the Subsidized Assisted Living Demonstration
  
  FY 2020 $527,759, FY 2021 $593,759

- Fund Rental Assistance Caseload Growth Under the Money Follows the Person Program
  
  FY 2020 $1,351,368, FY 2021 $3,856,968

**The Assisted Living Demonstration Program**

The Assisted Living Demonstration Program provides subsidized assisted living to persons who reside in four specific assisted living demonstration sites. *(The four sites are Herbert T. Clark in Glastonbury, Smithfield Gardens in Seymour, Luther Ridge in Middletown, and The Retreat in Hartford.)* These four sites were developed through a state initiative to provide a community-based housing with services setting for low-income older adults who are eligible for the DSS Connecticut Home Care Program for Elders. These are older adults who might otherwise need to move into a more expensive nursing home setting.

When the four sites were developed, they received funding from various sources, including state funding through the Department of Housing (DOH) in the form of a rental subsidy and funding from the Connecticut Home Care Program through the Department of Social Services for the assisted living services.
A longstanding memorandum of understanding (MOU) was established between the funding sources and pursuant to that MOU, the Connecticut Housing Finance Authority calculates the rental subsidies to be paid by the DOH in an amount sufficient to pay the actual debt service on the mortgage loans and bonds. The MOU further requires OPM to include this amount in the Governor’s budget submission.

Unfortunately, the current budget does not include sufficient funding to meet the calculated rental subsidy amount that was requested and the Department of Housing has had to find funding elsewhere to make up the shortfall. **This cannot be sustained and therefore we urge the Committee to support the Governor’s proposal to fully fund the program’s rental subsidies line item in the Department of Housing budget for the next two years.**

**The Need for More Development of Senior Housing with Services**

LeadingAge Connecticut is a strong proponent of linking affordable senior housing with long term services and supports; a model that enables older adults to remain in the community where they can thrive as they age. We believe that this model is one of the answers to our state’s quest to balance the system of long-term services and supports because it can provide an array of services to seniors residing in an affordable housing community while also often preventing or delaying nursing home placement.

We are proud of the fact that Connecticut has developed several nationally acclaimed models of senior housing plus services. These models include allowing assisted living services that are funded through the Connecticut Home Care Program to be delivered to residents living in our state congregate and HUD 202 housing sites, was well as within the four pilot Subsidized Assisted Living Demonstration sites which are the subject of our testimony this evening. We have excellent models of providing affordable senior housing plus services in this state, but we are in need of more units to meet the growing needs of our elderly population.

Anecdotally it is clear that we are victims of our own success. The model of providing services and supports within affordable senior housing settings is allowing older adults to age in place and remain in their units much longer than our previous experience. This success means that fewer units open up and the waiting lists continue to grow. Our members report waiting lists hundreds of names long. We need to invest in building more units of affordable senior housing with rental subsidies to meet this growing need.

The national data also shows the growing need for affordable senior housing in Connecticut. Our national partner, LeadingAge, three years ago asked the National Low-Income Housing Coalition to run housing need data by state for age 60+ households. The data shows that of the Extremely Low-Income households in Connecticut with one person 60+ (renters and owners, but not homeless), 80.9% of them – or 66,215 households – are burdened by housing costs that are greater than 30% of their income. 65.5% - or 53,611 households – are severely burdened with housing costs of more than 50% of their income. And there are thousands more households in similar situations that are considered very low income or low income. (Extremely Low-Income Households are those with household incomes below 30 percent of area median income which in Connecticut in 2016 was $89,400.)
We encourage the state to seek ways to incentivize the development of affordable senior housing. Possibly the state could consider using a portion of the HOME program funding that Connecticut receives from HUD. These are very flexible dollars that the state can use for rental subsidies and other housing needs. The state could also consider utilizing the point system within the Qualified Allocation Plan to incentivize senior housing development.

Older adults must be afforded the opportunity to remain in the towns and cities that they have lived in or to be near the families that they love. We urge the state to demonstrate their commitment to providing affordable community-based options for older adults by investing more into the development of affordable senior housing.

**Support for Long-Term Care Rebalancing Strategy Rental Assistance**

We support the Governor’s proposal to add additional rental assistance vouchers to support the Department of Social Services’ Long-term Care Rebalancing Strategy. Securing housing in the community was identified early on as one of the key elements to successful transitions from the nursing home. Rental assistance vouchers are a critical component to achieving those community-based housing options and we commend the state’s continued effort to accommodate individuals’ housing choices within the Money Follows the Person program.

Thank you for the opportunity to provide this testimony and I would be happy to answer any questions.

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**Additional Resources on the Concept of Senior Housing Plus Services**

A large and rapidly expanding population of low-income older adults faces the dual challenges of finding affordable, safe housing that can accommodate changing needs as they grow older. Millions of older adult renters and homeowners face excessive housing costs and/or live in housing with serious physical problems. As they age, an increasing proportion of these older adults experience multiple chronic illnesses. In many cases, deteriorating physical and cognitive functioning impede the ability of these older adults to live independently in the community.

[The LeadingAge LTSS Center @UMass Boston](https://www.leadingagect.org) is striving to address these challenges by serving as a national catalyst for the development, adoption, and support of innovative affordable housing solutions that enable older adults with low and modest incomes to age safely and successfully in their homes and communities.