# Using HOME Investment Partnership Funding to Increase Housing for People with Disabilities and Seniors Leaving Institutions

June 22, 2011

# Webinar Logistics

- During today's presentation, all participants will be in a "Listen Only" mode. However, you may submit questions to the speaker at any time by typing the question in the Chat feature located to the lower left of your screen. Questions will be answered as time allows.

- We will also conduct a live Question and Answer session at the end of the webinar, should you want to ask your questions directly to the speaker. We'll follow-up with instructions later in the presentation.

- As a reminder, today's presentation and call is being recorded.

# Housing Education Project

- This webinar is sponsored by **NYAIL's Housing Education Project**, funded by the New York State Department of Health with federal Money Follows the Person funding.
- The Housing Education project promotes the availability of affordable, accessible, and integrated housing options for people with disabilities and older adults across New York State.
- The project provides training and technical assistance to increase public and stakeholder knowledge of housing programs, policies and resources, and to foster systemic change locally and statewide.

# HOME Investment Partnership: New York State

## Finding Housing Vouchers So People Can Leave Institutions

June 22, 2011, Webinar Presented By Steve Gold, Esq.

# Background of the Problem

1. Thousands of people with disabilities are institutionalized in nursing homes throughout the country because of affordable, accessible housing and are interested in transitioning back to the community. One of the primary barriers they face to transition is the lack of affordable and accessible housing.

# Background of the Problem (cont.)

2. There are federal housing funds, but they are not being used to transition people out of nursing homes.

   * The New York State Medicaid officials need to understand how these funds can be accessed and most importantly to develop a New York State statewide strategy to show your Governor and the New York State Homes & Community Renewal can **SAVE STATE GENERAL REVENUE** dollars and comply with ADA.

# The Ultimate Purpose

THE BIG PICURE:  Demonstrate SAVINGS in STATE GENERAL REVENUE FUNDS, while assisting people to transition back to the community from institutions.

State officials need to understand how federal  funds can be used to transition people out of nursing homes, while at the same time SAVING New York State state revenues.

# Advocates and Medicaid Officials

"Mutuality of interests"

- Both advocates for people with disabilities AND New York State Medicaid administrators have the SAME goal.
- Find HOUSING MONEY to help people in institutions move to the community.

# ADVOCACY

"Elements of an advocacy process"

- Advocates must understand the steps and then convince the appropriate New York State State officials how to SAVE STATE FUNDS.
- What follows *is* complicated. It may be difficult to follow the first time you hear and see it. That's okay. You'll have these slides to come back to later and to deconstruct, understand, and use them for your work.

# Nursing Homes: 21st Century Poorhouses

Think TWO SEPARATE New York State Statewide POCKETS

1. Housing – the New York State Homes & Community Renewal, which administers HOME program statewide.
2. New York State Medicaid program – the Medicaid Waivers.

Your Governor wears the pants with both pockets!

Your Governor appoints officials in both programs!

# The FIRST Pocket

- Affordable housing in New York State.
- The HOME Investment Partnership Funds - from HUD.
- The New York State Homes and Community Renewal should be the primary focus.

# How Does HUD's HOME Investment Partnership Program Work?

- HOME is a "block grant" funded annually by Congress (FY10, $1.825 billion.)  The amount New York State and every state receives annually is based on a formula based on relative poverty rate, poor families in rental housing, age  of housing, housing condition, etc.
- The New York State Homes and Community Renewal is the State "Participating Jurisdiction"  [PJs]. It is NOT a PHA!
- They receive a percentage of the entire New York State HOME appropriation.  New York State has 29 PJs. The New York State Homes & Community Renewal  is the "statewide" PJ. PJs are based on size of city, county, or consortium of counties.

# New York State Home $$$

| FY | New York State Homes & Community Renewal | Total Statewide for all 29 Participating Jurisdictions |
|---|---|---|
| 2009 | $38.6 million | $204.3 million |
| 2010 | $38.9 million | $204.4 million |
| 2011 | $34 million | $180.6 million |

# Federal "Match"

- While technically there is a 75-25% match of federal versus non-federal, many PJs "match" their share with bond financing proceeds, labor, property – not necessarily appropriations.
- In other words, the PJ can be creative in matching the federal dollars, using other resources instead of state general funds SO THAT NO STATE FUNDS ARE USED IN THE HOME PROGRAM. This is important to remember when later we discuss saving state funds in the Medicaid Waiver program.

# PJ's **Discretion**

HOME Investment Partnership funds can be allocated by a PJ but ***only*** for the following [not like CDBG]:

1. Homebuyer Assistance – e.g., mortgage subsidy.
2. Homeowner Rehabilitation – e.g., the entire unit must be brought up to applicable rehabilitation standards.
3. Rental Development – building or rehabilitating rental units, new construction.
4. Tenant-Based Rental Assistance (TBRA) – operates similar to housing vouchers. **OUR FOCUS**!!

# TBRA Requirements

- Eligible TBRA costs are both rental assistance [i.e., monthly voucher payments] and security deposits [maximum of two months rent].
- “Preferences” for persons with disabilities. HUD’s regulations state that “generally” TBRA for “all persons with special needs.” But it does not require this.
- “Preferences” to transition people with disabilities from institutions to the community are not prohibited. 24 C.F.R. 92.209 (c )(2)(i) and (ii).
- TBRA are issued for two years but are renewable.

# Annual HOME Allocation

- Remember, each year HUD allocates HOME funds.
- This is important to remember because there are TWO sources of HOME funds we will discuss:

    A. "Uncommitted" HOME funds, *and*

    B. Annual allocations

    → Both should be looked at.

# Which PJ for Advocacy Focus?

Even though any PJ *could* use its HOME funds to provide TBRA to assist people to move out of institutions, there are two PJs that have a real financial interest in doing so –

1. The Statewide PJ.
2. A local PJ if it has a county or public nursing home in its jurisdiction that uses local funds for its public NH's operation.

   **The financial interest is in *saving state* or local *general revenues* used to support residents in nursing homes.**
3. A local PJ without a county nursing home can also use its HOME funds without savings.

# HUD Dashboards

- Every quarter, HUD publishes a Dashboard for every PJ in your State.
- Obviously, each State's PJ operate differently but the principles are the same.
- We will review the New York State Homes & Community Renewal's most recent Dashboard information.
- If you want to view either the  or statewide PJ Dashboard, go to the HUD website: http://www.hud.gov/offices/cpd/affordablehousing/reports/dash.cfm

# — HOME Investment Partnerships (HOME) Program —

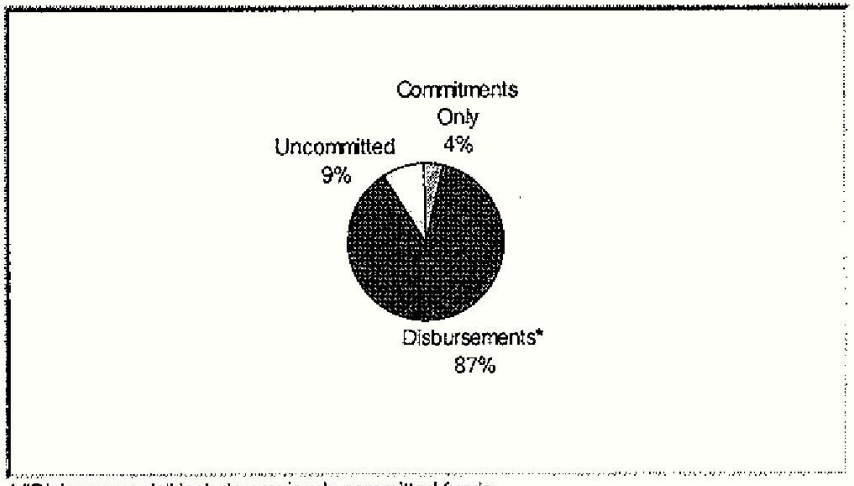
## Program Progress Dashboard

**Cumulative as of 03/31/11**

**Participating Jurisdiction (PJ)** New York **PJ Since:** 1992

### (1) Status of Funds

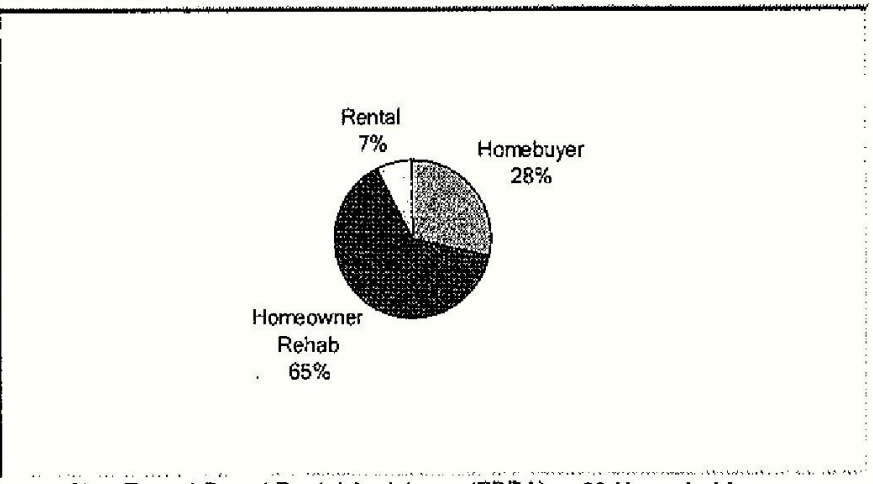
Total HOME Allocations Received: **$579,341,457**




* "Disbursements" include previously committed funds.

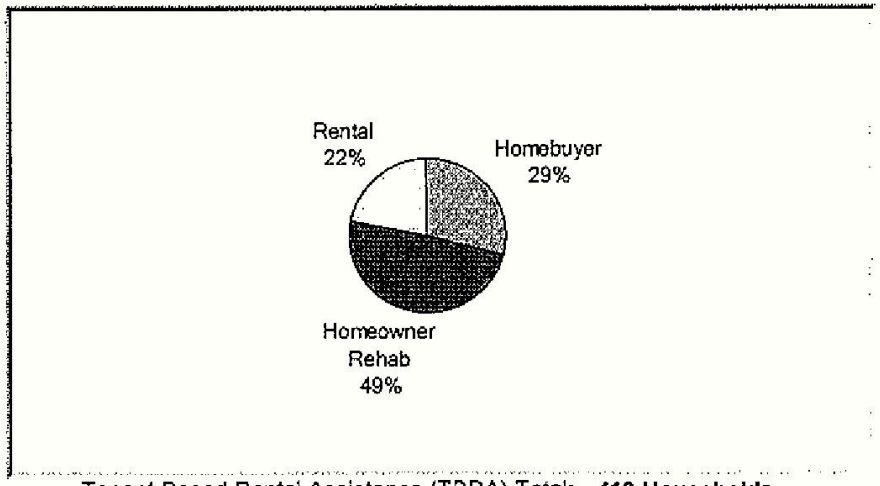
### (2) Unit Production - Completions

Last Quarter (January 1 - March 31, 2011): Net Increase: **323**




New Tenant-Based Rental Assistance (TBRA): **29 Households**

Cumulative Since: 1992 Total: **24,660**




Tenant-Based Rental Assistance (TBRA) Total: **418 Households**

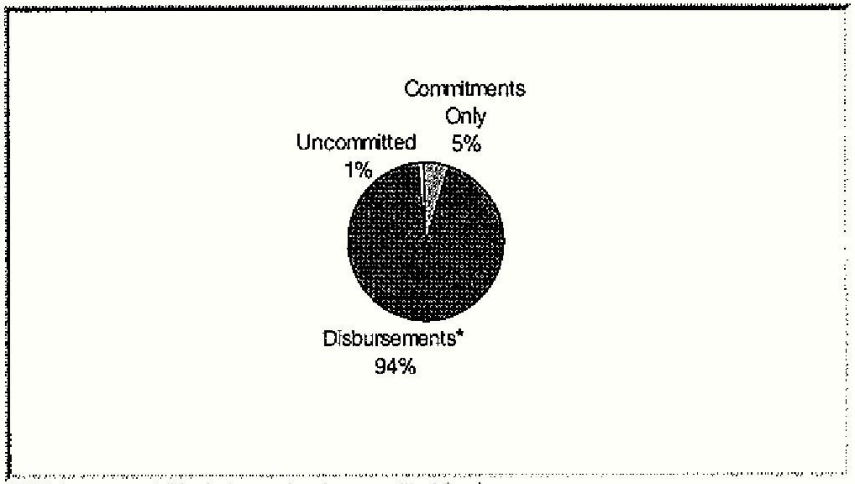
# Program Progress Dashboard

**Cumulative as of 03/31/11**

**Participating Jurisdiction (PJ)** Rochester, NY **PJ Since:** 1992

## (1) Status of Funds

Total HOME Allocations Received: **$59,206,260**

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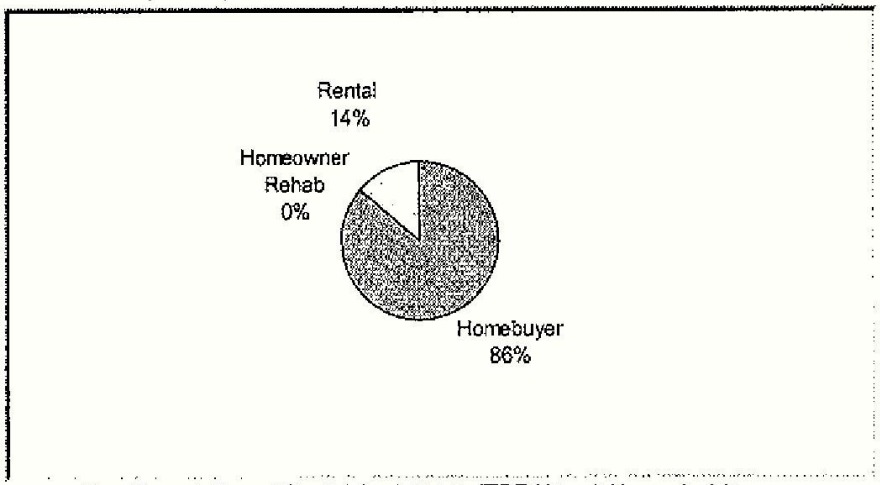
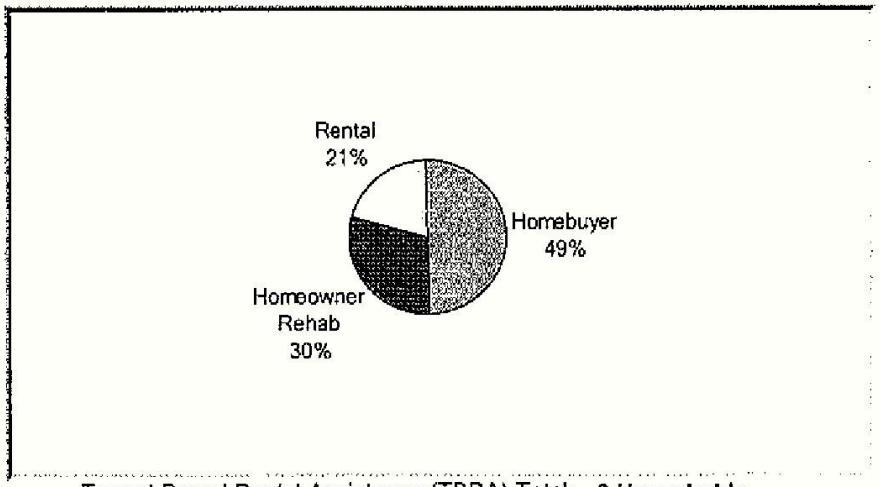



New Tenant-Based Rental Assistance (TBRA): **0 Households**

Cumulative Since: 1992 Total: **3,972**




Tenant-Based Rental Assistance (TBRA) Total: **0 Households**

# How to Understand the Dashboard

In the above slides, there are three boxes.

- The upper box/pie chart represents the status of funding and cumulative data since 1992.
- The percent of “Uncommitted” funds is shown in this box/pie chart.

# How to Understand the Dashboard

- The second row of boxes/pie charts shows the allocation among the four HOME activities.
- The lower left box/pie chart lists the latest quarter expenditures; the lower right box/pie chart lists the cumulative allocation to date.
- Under the box to the right is the cumulative number of TBRA “vouchers’ that have been allocated as of 3/31/2011.

# NYS Statewide Dashboard – Slide 20

- The top line shows “New York State” as the statewide PJ.
  - Header shows the data is current as of 3/31/2011.
  - Header shows the New York State PJ has been a PJ since 1992.
- The ID statewide PJ’s Dashboard tell us that it has been allocated $579,341,457 HOME Investment Partnership funds - cumulatively since 1992.
  - This total does not include the HOME funds that have been allocated to the other 28 PJs throughout the State.

# NYS Statewide Dashboard

- As of 03/31/2011, 9% or $52 million was “uncommitted” [top box]. That is, the NYS **statewide PJ had not decided how to use $52 million of “uncommitted” HOME funds.**
- Since 1992, the NY statewide PJ had completed 24,660 units [2nd row of boxes on right].
  - 22% for Rental Development
  - 29% for Homebuyer Assistance
  - 49% for Homeowner Rehabilitation
  - ***SINCE 1992, 418 HOUSEHOLDS RECEIVED TBRA***

# $52 Million for TBRA?

- New York State's statewide PJ *could* allocate its uncommitted HOME funds for TBRA to transition individuals out of nursing homes.
- New York State's statewide PJ *could* allocate a percentage of its *annual* HOME block grant for TBRA.

# Advocacy Focus: The Governor

- Why focus on Governor?  Because he is the entity to whom BOTH the Medicaid and the New York State Homes & Community Renewal reports!  The two pockets.
- A huge problem is that neither New York State Department of Health (Medicaid) nor the New York State Homes & Community Renewal have an institutional interest in working together.
- They may not even know how they could assist the State by working together.

# Advocacy Focus: The Governor

Your Governor's office wants to SAVE STATE GENERAL REVENUES.

***If your Governor can save state general revenue Medicaid funds by using federal HOME funds to assist people to transition into the community, then there will be an interest.***

# The Formula

1. Compute amount of $ person needs to rent in the community - the "Housing Pocket." This is the amount the TBRA must be to move person into community. [slide 30]
2. Compute amount of Medicaid Waiver's (A) Total "cost neutral" savings from Waiver and then (B) Use state Medicaid % to compute STATE SAVINGS per person under the PCA &/or Waiver. [slides 33 and 35]
3. Divide amount of TBRA needed per person into % of Uncommitted or Annual Allocation. This gives you # of people. [slides 37 and 40]
4. Multiply # of people by State Savings per person = Total amount of State General Revenue that can be SAVED. [slides 38 "uncommitted"] and [slide 39 "annual"]

# Steps to Convince Your Governor: The HOUSING Pocket

## 1. The First Pocket: HOUSING

- You MUST know the math and formula:
  - Individuals in NH, when they transition into the community, will receive SSI - $761 a month. In the NH their SSI is only $55.
- Under HOME, the person in the community must spend only 30% on rent/housing = $228, if SSI is the only household income.
- Let's assume that a one bedroom apartment in your area rents for $800 a month.
- $800 - $228 = $572 a month or $6,864 a year. That's what a person needs for a housing **"voucher" to leave the NH and reside in community**. This is the amount that the TBRA must cover. Obviously, the savings change depending on the rent.

# Steps to Convince Your Governor: The MEDICAID Pocket

## 2. The Second Pocket: MEDICAID

- NYS, unlike nearly every other State, uses the Medicaid Personal Care Option to provide personal care services as an entitlement program in the State Plan.
- New York does have several Waiver services, but these are secondary and relatively minor in comparison to the Personal Care Program.
- In both, the expenditures must compare what the State would spend in a nursing home (or other institution) versus what it spend in the community.

  **The difference is what the MEDICAID (BOTH the Federal match AND State expenditures) saves by transitioning a person into the community.**

- To make the argument persuasive, it's necessary to compare what the State general revenue expenditures are in *both* the NH and in the community via both the PCA program and the Nursing Home Transition and Diversion (NHTD) Waiver.

# Calculations of SAVINGS:
## Personal Care Assistance (PCA) Program

1. New York State nursing homes MA "*projected*" ** annual expenditures = $69,231 per person [Source: Yr 1 from NYS' NHTD Waiver renewal application for CMS, Appendix J]
2. New York State average per person Personal Care Program expenditure = $36,272 (FY 2009) [Source: Thomson Reuters and NYS DOH]

**The 2009 MA average NH rate was $204.62 per diem or $74,685 annually for non-specialty NH, and $245.96 per diem or $89,775 annually if specialty NH (e.g., Vent, AIDS, TBI, Peds and Neuro) are included.

# Calculations of SAVINGS:
## PCA Program (cont.)

3. New York State's total (Fed & State) Medicaid saving *per person* in the community: $69,231 [NH] - $36,272 [ave. PCA] = **$32,959.**

4. Because New York State's Federal Medical Assistance Payment (FMAP) match is 50%, ($32,929 x .50) = **$16,479** is **saved** from New York State's state general revenue for each Medicaid-supported nursing home resident who moves into the community in the Personal Care Program.

# Calculations of SAVINGS:

## Nursing Home Transition and Diversion (NHTD) Waiver

- 1800 slots in YR 1 [Source: NYS' NHTD Waiver renewal application for CMS, Appendix J]

1. New York State Nursing Home "*projected*" annual expenditures = $69,231

2. New York State per person NHTD Waiver expenditure = $56,784

# Calculations of SAVINGS:
## NHTD Waiver (cont.)

3. New York State's total (state & fed) Medicaid saving *per person* in the waiver: $69,231 [NH] - $56,784 [Ave. NHTD] = **$12,447**.

4. Because New York State's Federal Medical Assistance Payment (FMAP) match is 50%, ($12,447 x .50)= **$6,223.50** is **saved** from New York State's State general revenue for each Medicaid-supported nursing home resident who moves into the community in this Waiver.

# Now, Let's Apply the TWO Sources of Home Funds

1. "Uncommitted" HOME funds: $52 million as of 3/31/2011 [slide 25].

2. Annual allocation of HOME funds: $34 million in FY 2011 [slide 13].

# 1. How Many People in NH Could NYS Transition with "Uncommitted" HOME?

- **Assuming only half of the uncommitted** NYS statewide PJ's funds are used for TBRA, NYS could transition 4,177 people.

  **How?** Half of New York State's 9% ($52 million) Uncommitted Funds = $26 million. Divide $26 million by TBRA voucher cost of $6,864 [slide 30] = 4,177 persons.

- **Assuming only a quarter of the uncommitted** NYS statewide PJ funds are used for TBRA, NYS could transition 1,894 people.

  **How?** A quarter of $52 million = $13 million, divided by $6,864 [slide 30] =1,894 people.

# Calculations of State Funds Saved From PCA Using "Uncommitted" TBRA

- In slide # 33, we saw how New York State could save $16,479 in State general revenues per nursing home resident transitioned into the community in the PCA Program.
- Therefore, if 1,894 people were moved into the PCA program in the community using federal TBRA, the state **saves** 1,894 x $16,479 = $31,211,226 **in state general revenues.**

# 2. How Many People in NH Could NYS Transition with "Annual" HOME?

- What about *after* the Uncommitted Funds are used up OR there are $0 Uncommitted Funds?
- Remember, each year HUD allocates HOME funds.
- In FY 2011, the HOME allocation for the ID statewide PJ was $34 million [slide 13].
- It is necessary to convince your Governor to allocate a % of the annual federal HOME funds to transition people out of the nursing homes and therefore **SAVE STATE GENERAL REVENUE FUNDS IN THE MA PROGRAM**.

# "Annual" HOME Funds (cont.)

- If only 10% of New York State's *annual* HOME allocation from its statewide PJ were used for TBRA, then $3.4 million would be available.
- Since each person requires a TBRA of $6,864 [slide 30], you divide that into $3.4 million = 233 people per year.

# Calculations of State Funds Saved From NHTD Using "Annual" TBRA

- 233 people a year could be transitioned out.
- From the NHTD Waiver, New York State could save 233 x $6,223.50 [slide 35] = $1,450,075 per year from State revenues, assuming only 10% of the annual HOME funds were used for TBRA.
- Use more annual HOME funds to transition more people and generate more State savings.

# Annual

- If your Governor wanted to annualize the state's general revenue savings, he could take a percentage of the annual HOME funds and institutionalize TBRA.
- If your Governor wanted to be creative, he could bring together all of the PJs (and HAs) in your State. Bring also the State's Housing Finance Agency to sweeten the pie with Low-Income Housing Tax Credits.
- There are many ways to combine LIHTC, HOME's TBRA, and HA s vouchers.

# Amend the Con Plan

- In order for your statewide PJ to use HOME funds for TBRA, many states will have to amend their Consolidated Plans.
- Check out your State's current Consolidated Plan to determine if it has any provisions for using its HOME funds for TBRA and if they are targeted to people with disabilities to transition out of nursing homes.

# Appendix

- The web address for the HOME Dashboards is: http://www.hud.gov/offices/cpd/affordablehousing/reports/dash.cfm?st=id

- The web address for annual HOME allocations is: http://www.hud.gov/offices/cpd/about/budget/budget11/index.cfm

# NYS HOME Participating Jurisdictions

- Albany
- Amherst Consortium
- Babylon
- Binghamton
- Buffalo
- Dutchess County Consortium
- Elmira
- Erie County Consortium
- Islip
- Ithaca
- Jamestown
- Jefferson County Consortium
- Monroe County Consortium
- Mount Vernon
- Nassau County

Continued -

# NYS HOME Participating Jurisdictions

- New Rochelle
- New York
- New York City
- Niagara Falls
- Onondaga County Consortium
- Orange County Consortium
- Rochester
- Rockland County
- Schenectady Consortium
- Suffolk County Consortium
- Syracuse
- Utica
- Westchester County
- Yonkers

# Questions?

- If you would like to ask a question, please select the “Raise Hand” button on the top left of your screen.
- Once your name has been called, please press the ‘Star’ key followed by the ‘7’ on your telephone keypad to open your line and ask your question.
- If you are listening to the audio portion only and would like to ask a question, after web-based questions have been answered, we will open the telephone lines for additional questions from audio-only listeners.

# Contact Information

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