

Testimony for
“Legislative Proposals to Increase Work and Health Care Opportunities for Public
and Subsidized Housing Residents” – Together We Can Act of 2009

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Chairwoman Waters, my name is Sandra Henriquez and I am the Assistant Secretary for Public and Indian Housing at HUD. Thank you for having me here today.

I would like to begin by thanking Representative Velazquez for her creative and thoughtful work toward addressing the pressing needs of not only one, but two groups of citizens in need of assistance to become and remain self-sufficient. The Together We Can Act of 2009 proposes a pilot grant program to train work-able adults living in public housing to provide necessary in-home personal care services for elderly and disabled residents of public and assisted housing. Clearly this is a win-win approach.

I also commend the fact that this act allows the services to be provided to residents of both public and various types of assisted housing. Under the leadership of Secretary Donovan, HUD is looking to cross long-standing silos that have artificially divided essentially similar beneficiaries of housing assistance based on the source of funding. To this end, we recommend that the eligible recipients of this training be expanded to Housing Choice Voucher holders as well as residents of conventional public housing.

As can be expected, as the average age of the nation increases, the average age of residents of public housing is also increasing. For elderly and disabled residents on fixed-incomes, public or assisted housing is often housing of last resort. As seniors age, they find themselves in need of assistance with activities of daily living. However, when on a fixed income, many residents of public and assisted housing cannot afford to access the in-home personal care that can be a vital and sustained step between independent living and full nursing home care. A recent HUD study on Service Coordinators in multi-family housing showed that the presence of a Service Coordinator was associated with lengths of resident occupancy that were 10% (or more than 6 months) longer than at facilities without Service Coordinators, controlling for other factors.¹

¹http://www.huduser.org/publications/hsgspec/serv_coord.html p.9 and 17

The average cost of homemaker services is \$18 per hour. Contrast that with \$187 per day in a shared room in a nursing home. If limited in-home service provision can successfully prevent the costly institutionalization of residents, then it has the potential to create substantial savings.

In the past several years, HUD has modified its supportive services programs to conform, across housing programs, to the Service Coordinator model. This model is one wherein HUD provides the salary for a Service Coordinator position as part of the housing authority or property management staff. The funding provided by HUD no longer goes to provide services, training, and education directly. The role of the Service Coordinator is to bring together services already available in the community to form a wrap-around Program Coordinating Committee. This creates a situation where the housing provider forms collaborative partnerships with state- and locally- funded agencies, non-profits, community colleges, banks and businesses to offer their activities and services to residents. Too often, in the absence of a Service Coordinator, we find that although excellent services may be available in the neighborhood, these residents do not access them. In assisted housing, the presence of these coordinators has been shown to reduce property damage, turn-over and evictions, thus assisting residents to move to self-sufficiency while saving funds for property management.² HUD funds Service Coordinators in 202 and other assisted housing properties³ and this is the model employed by the Family Self-Sufficiency program in both conventional public housing and the housing choice voucher program. In 2008, the Resident Opportunity and Self-Sufficiency, “ROSS,” program converted to this model as well.⁴

With the Service Coordinator model in mind, we should ensure that the Together We Can Act’s pilot program allows joint applications that could leverage existing programs and services through critical partnerships. For example, a Public Housing Authority (PHA) would apply together with an entity that implements a successful home health aid training program and an entity that employs home health aides and homemakers. We should take advantage of successful training programs and successful businesses already in place instead of expecting a PHA to create a new training program or manage the employment of its residents. Effectively partnering with the local public workforce system, as recently encouraged by Secretary Donovan and Department of Labor’s Secretary Solis’s joint letter to PHAs and Workforce Investment Boards

² (http://residentservices.org/documents/roof_and_walls.pdf)

³ Findings of a recent HUD survey revealed that there are about 1,500 service coordinators funded through the competitive grant program which represents less than one-third of the more than 12,000 eligible housing facilities. Current eligible facilities for these grants are those funded with: Section 202 without Project Rental Assistance Contracts (PRACs); HUD insured Section 221d3, some Section 236s, and project based Section 8 rent subsidies. Service Coordinator programs are split nearly evenly between Section 202 and non-202 projects. Out of the 3,742 programs, 1,858 (49.6%) are in 202s and 1,884 (50.4%) are in non-202 projects. In addition, nearly 2,000 service coordinators are funded through project operations, and over 200 service coordinators are funded through project residual receipts and excess revenues. Unfortunately, many facilities do not have sufficient funds to absorb service coordinators into their operating budget; and it is very difficult to secure the necessary rent increase to enable staffing as a routine part of the operating budget. (FY09 Budget Justifications)

⁴ The Administration’s budget did not request dedicated funds for the ROSS or Public Housing Family Self-Sufficiency Program in the 2010 budget. Housing authorities that wish to implement or continue these programs can use their general Operating Funds to support Service Coordinator positions.

(WIBs), will also be essential to provide opportunities for residents to continue their path to self-sufficiency once they get a “foot in the door.” Involving a home health agency as the employer also opens that door for further training and advancement along their existing career ladder – something that the PHA as the employer could not provide. Strong partnerships are recommended to execute this program in the most effective manner.

The bill proposes funds to pay for the services to be provided to public and assisted housing residents. Most residents of public and assisted housing will not have the disposable income to hire the in-home personal care services independently. Residents at below 30 % Area Median Income (AMI) will likely qualify financially for Medicaid, but higher-income residents may not. In addition, there are state-specific functional tests to qualify for Medicaid in-home personal care services. Even if the residents qualify, the level of benefits and availability of funding varies by state. We recommend that the State Medicaid Program should be involved as a partner as well.

A last note on one of the minor stipulations in the Act. The section on Regarding Impact of Income on Eligibility for Housing Benefits, while well reasoned, would be redundant with the existing regulations on Earned Income Disregard established by the Quality Housing and Work Responsibility Act of 1998 (QHWRA) which mandates that the increased earned income is disregarded for the purposes of rent calculation for the first twelve months of employment. Following that, 50% of the income is disregarded for the next twelve months. The current provisions of the Act are very similar and in the interest of not increasing the administrative burden for the PHA, the Earned Income Disregard already in place meets the intent of the Act.

Finally, developing a report based on the program's performance after 24 months will be too short of a time frame to make grants, engage partnerships, recruit and train residents and show meaningful results. In addition, there would be no need to establish regulations for a pilot program in the six months required. The program and its requirements could be established through the Notice of Funding Availability and Grant Agreement. Once the program became permanent, a set of formal regulations could be established.

Again, we applaud the thought and effort that went into this bill. We support the intent of the program and we look forward to implementing this creative approach to self-sufficiency for our families and our elderly and disabled residents. Thank you for the opportunity to speak with you today. I look forward to your questions.