



Alliance for the Betterment of
Citizens with Disabilities

Empowering People: Providers Shaping Policies

Increase the Capped Housing Rates to 75% of the Latest FMR

For decades, individuals with IDD have been advocating for inclusion in supportive housing and independent living in the community. Individuals with disabilities generally use SSI to fund housing operations and it's generally acknowledged that "Essentially, it's impossible for a person with disabilities to cover the cost of her housing or other basic needs on SSI income alone."¹ A recent study found that "according to the outdated FPL, 18% of people with disabilities in the US are living in poverty in 2019,"² and those who work earn 38.4% less than households without people with disabilities.³ Until these challenges are overcome, we cannot expect individuals to contribute significantly more to their housing costs.

Consequently, New Jersey continues to work to support the best possible housing choices for individuals with IDD which requires funding to cover three areas: development, operations, and services. The focus of this document is on housing operations.

To assist people with IDD to live in their communities, DHS/DDD provides rental subsidies to eligible individuals who are enrolled in DDD's FFS system, as annual budget allocations allow. DDD funded rental subsidies help fund housing operations which include rent, utilities, and maintenance and are administered by the Supportive Housing Connection (SHC), which is a partnership between NJDCA and DHS.⁴

A SHC housing subsidy will fund rental units that are at or below DHS's annual Published Rent schedule which typically mirrors Fair Market Rent in New Jersey (FMR). To be eligible, the rental cap for a licensed Single Room Occupancy (SRO) unit must be 75% of the 0-bedroom FMR.⁵ The individual is required to pay 30% of their gross income while the SHC pays the remainder of the monthly rent amount.

Qualifications for this subsidy in the 2022 calendar year require that the rental rate for a bedroom in a group home be capped at 75% of the 0-bedroom FMR for 2016, the year before the program was initiated, which is equivalent to 64.7% of the current 0-bedroom FMR for

¹ Connery, Micaela. The Harvard Joint Center for Housing Studies. *Disability Housing: What's happening? What's challenging? What's needed?* April 2016. P 8.

² United Way of Northern NJ, *United for Alice. Financial Hardship Among People with Disabilities.* July 2022. www.unitedforalice.org

³ Connery. page 8

⁴ As compared to housing services which include general living supports, transportation, home care, activities, hygiene, medication administration/reminders, etc. and are paid according to the individual's level of need by Medicaid.

⁵ This is the category for the per person rental rate in DDD licensed group homes.

2021. Using inflation as an indicator, the FMR rate for 2022 (2023 rent rate) for an SRO will increase by 8.29% which would drop the capped rental rate from 64.7% to 59% of the 0-bedroom FMR for 2022.⁶ Meanwhile, for the small pool of unlicensed SRO subsidized by SHC that we were able to unearth, the rental rates have increased and are currently between 92-103% of the 0-bedroom FMR for 2021.

It's impossible to find and becoming increasingly difficult to maintain rentals for licensed sites at the current 2016 rates. Factors which the State must be aware of given the increased rate levels it is approving and subsidizing for unlicensed sites.

FY'24 Budget must increase the capped rates for licensed SROs so that they are once again 75% of the FMR for the latest year issued, 2022. We estimate this 16% increase at a cost of \$8.1 million, state dollars. Furthermore, on an annual basis DHS/DDD must propose increases, as required, for the rates to remain at 75% of the latest FMR. Modest annual increases will translate into stable housing for the people we serve until they are in a position to contribute more to their housing costs.

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⁶ From 2016-2021 the cumulative FMR lagged inflation for that period by 9%. Current inflation rate for 2022 is at 9.1%. If we assume FMR for 2022 will lag inflation rate by 9%, FMR for 2022 will increase by 8.29%