



March 2021

Senator Paul Sarlo- Chair  
Senate Budget and Appropriations

Ms. Diane Riley  
Executive Director

Senator Sarlo and members of the committee, I am writing on behalf of the Board of Trustees and members of the Supportive Housing Association of NJ (SHA). For 23 years now, our membership organization representing over 110 agencies stands dedicated to the creation of permanent, affordable housing with flexible supportive services for people with disabilities and other special needs. These needs might include those with serious mental illness, addictions, intellectual and developmental disabilities, adult-onset physical disabilities, seniors, and those experiencing homelessness. Although their requirements might be different, they are all in need of safe, decent housing and supportive services. More people today are living in communities of their choice and receiving services they need to lead full and independent lives to the best of their abilities. But there are so many more who continue to live at home with aging parents wondering what will happen in the future or those who are living in substandard or temporary housing with no idea where they will go next. These were common stories before COVID-19 upended the nation and are even more profuse now. With data collected before the pandemic, the recently released 2020 Annual Homeless Assessment Report found that New Jersey's homeless population grew by 9%. Having addressed these problems successfully albeit moderately in the past what remains is a recommitment and larger investment in the ideas and the strategies that are proven to work. These strategies encompass a combination of capital funding, operating support, and access to staff and services that will allow all those currently waiting to finally find a home. In the end, this investment will provide not only a better quality of life for more people but will do so in a more cost-effective way allowing us to be good stewards of our public funding. The following are a few suggested 2022 budget and policy priorities that would help us move forward.

Capital – First and foremost, we need to create more homes that people can afford. Over the years, New Jersey has created funds in order to support the development of housing. SHA supports Governor Murphy's continued investment in NJ's Affordable Housing Trust Fund (AHTF). In 2020 the Department of Community Affairs announced its first awards using this fund to develop small-scale housing developments of nearly 100 affordable homes. While the number of units and money expended is admirable, it is not enough. The funds available in the AHTF should be deployed in full and to the benefit of low income New Jersey residents. While the Governor's budget includes \$30 million in AHTF, we believe that this is a reduction in the amount that had been previously invested and available. This is concerning and would widen shortfalls in the support needed to develop "supportive housing," which most often serves extremely-low and low-income residents. Dollars devoted to workforce affordable units and first-time homeowner investment, a proven method in addressing wealth gap racial disparities, are important measures. However, SHA believes distribution of housing related funding should be addressed without impacting the development of homes for our most vulnerable residents. An investment that would be effective and targeted to those in need of supportive housing is an investment in the special needs housing trust fund (SNHTF). The SNHTF has spent almost all of the original investment of \$200 million on supportive housing

for persons with disabilities in all of New Jersey's twenty-one counties. The program, under the auspices of the New Jersey Housing and Mortgage Finance Agency has helped create quality housing people can afford with needed supportive services for thousands of families and individuals with special needs throughout the state. Since 2012 this fund has been depleted. Dedicating \$20 million from the realty transfer fees as already proposed in legislation S1255/A1925, would continue to successfully support the development of homes for the residents of NJ most at risk. This fund is a smart investment that not only serves people well but has a positive impact on communities by improving the economy and creating jobs. SHA applauds the attention to housing affordability in the budget and particularly the state's most recent interdepartmental and coordinated approach to homeless initiatives. Sufficient attention to our states most vulnerable housing development will ensure successful outcomes across initiatives and departments.

Rental Assistance - Most of the adults living with disabilities are SSI recipients with an income of \$825 a month. Independent living continues to remain a difficult or impossible achievement for those on extremely low incomes without some sort of supplemental assistance. Housing vouchers provide that assistance and are the essential ingredient that allows people to maintain a stable home. We support the continuation of funding for the State Rental Assistance Program (SRAP). SHA appreciates the continued work of DHS and DCA in working together to create new vouchers and service models and especially for the \$5 million dollar increase in Supportive Housing rental subsidies for individuals with mental health disorders. In the end, housing with supports is less expensive than costly institutions or overusing costly emergency services. Maintaining this commitment is critical as the financing is a fraction of what is needed. The support to develop a pilot for NJ pregnant mothers and for services for LGBTQ individuals experiencing homelessness are innovative approaches and welcome additions this year.

Supportive Services - Access to flexible services and staff is the third but no less critical part of the supportive housing industry. Moving people into affordable homes is the first step, but providing them with services is essential in helping them remain in their homes successfully. Maintaining a strong infrastructure in both provider and staff support is imperative.

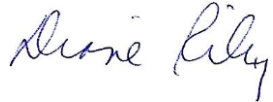
New Jersey's community-based behavioral health system is critically underfunded. At this time the demand for services is increasing exacerbated by the pandemic, among both individuals with chronic mental illnesses and substance use disorders and the general population that has not had these health conditions before. In the last few years, New Jersey moved towards a new Medicaid fee-for-service model of billing and away from deficit-funded contracts. Transitioning to this new system is a costly and complicated process. SHA is extremely grateful that the Community Supports Program (CSS) has been able to remain in deficient funding contract. However, other important mental health service programs require a safety net for providers whose rates continue to be inadequate for them to have success in providing the services that so many people need. Supplemental funding of \$24.5 million is needed to assist behavioral health programs with deficits that resulted from inadequate fee-for-service (FFS) rates. We hope you will consider including this important increase in the FY2022 budget.

Finally, recruitment and retention of staff remains an ongoing challenge. This is especially acute in the Intellectual and Developmental Disabilities (I/DD) community. Direct Support Professionals serve individuals in the I/DD community by helping them navigate everyday life. The work requires a high level of skill and responsibility, but sadly does not command a salary commensurate with these responsibilities. We are grateful that Governor Murphy's budget

proposal includes \$100 million in increased support within the Division of Developmental Disabilities (DDD) which includes over \$41 million to raise Direct Support Professional wages. This funding will continue the legislature's efforts to address the widening gap between front line workers and immediate supervisors who have enormous responsibilities and yet are underpaid. The state's support of \$57 million to fund supplemental payments for residential providers will help keep our agencies solvent and able to continue serving this critical population. We urge the legislature to maintain these provisions in their finalized budget. Building and retaining a strong, qualified and sustainable workforce requires a commitment to people living with these needs and the workers who support them.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Diane Riley".

Diane Riley, Executive Director