



Alliance for the Betterment of
Citizens with Disabilities

Empowering People: Providers Shaping Policies

Increase the Capped Housing Rates to 75% of the Latest FMR
Fiscal Year 2025, \$5M State Only

Last year, the Murphy Administration and the Legislature moved to support housing options for people with IDD through a 10% increase of \$5M to then FY 2017 current capped rates. According to our calculation, this increase brings us to around the FY 2019 capped rates. To help providers continue to find and maintain licensed sights, the FY'25 Budget must increase the capped rates so that they are 75% of the FMR for the latest year issued, 2024. Modest annual increases will help keep pace with the market and will translate into stable housing for the people we serve until they are able to contribute more to their housing costs.

History and Background.

Housing costs are supported for individuals with IDD by Division rental subsidies which are currently capped at 75% of the Fair Market Rent (FMR) for 2017. This combined with the notoriously lagging federal FMR makes it increasingly difficult to find and maintain rentals for licensed sites.

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cover the cost of her housing or other basic needs on SSI income alone."¹ A recent study found that "according to the outdated FPL, 18% of people with disabilities in the US are living in poverty in 2019,"² and those who work earn 38.4% less than households without people with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

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

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.

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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.