



The Honorable Marcia Fudge
Secretary U.S. Department of Housing and Urban Development
451 7th Street S.W.
Washington, DC 20410

August 25, 2022

Dear Secretary Fudge,

We are writing on behalf of the American Association of Service Coordinators (AASC), LeadingAge, and the hundreds of thousands of residents served by our members. We have deep concerns about ongoing funding delays from HUD for Service Coordination. We share your commitment to resident wellness, safety, equity, and stability. The worsening funding delays severely compromise the ability to achieve these goals and harm older adults.

The Multifamily Service Coordinator Program is making a significant difference in the lives of older adults with low incomes living in HUD's Section 202 Supportive Housing for the Elderly homes. By connecting residents to critical services and resources, Service Coordinators are the key to assisting older adults as they age in their communities, live with dignity and, in many cases, avoid costly institutional care.

Unfortunately, this vital program is in jeopardy as a result of repeated and severe funding delays after enactment of the final appropriations bill. Approximately 1,500 of the Service Coordinators working in HUD-assisted senior housing are funded through HUD-administered grants that are renewed annually, starting in January. While Congress provided the FY 2022 renewal funding for the department, HUD has not yet awarded the funding to grantees. In fact, HUD's payments to grantees for Service Coordinator salaries and benefits will be delayed at least through September, despite a directive from Congress to distribute funds within 120 days of enactment of the FY 2022 appropriations bill.

While the delays have historically lasted several months each year, this is the second year in a row with delays of at least 9 months out of the 12-month Service Coordinator annual grant program. The delay is forcing property owners across the country to disrupt access to services for HUD-assisted older adults by laying off Service Coordinators, discontinuing programming, delaying building repairs to free up funding, and threatening property operations to make ends meet.

Impacts of Delayed Service Coordinator Funding

The pandemic has only deepened the need for Service Coordination as a critical component of resident success at HUD-assisted communities. The severe and recurring delays in Service Coordinator funding hurt older adults and the aging services workforce immediately and over the long term.

- **Service Coordinator Layoffs:** Housing providers in South Carolina, Mississippi, Tennessee, California, Georgia, Colorado, Ohio, Pennsylvania, New Jersey, and North Carolina have now laid off Service

Coordinators because of HUD's delay in funding the Calendar Year grants, and we know there are likely many more layoffs than these examples. Other providers have deferred hiring new service coordinators to fill vacancies while they await funds. Making matters worse, many communities that have – until now – managed to utilize other property funds to support Service Coordinator salaries amid the delays, report that they are on a fiscal cliff and will begin layoffs soon if funding isn't provided by the end of the third quarter.

As trusted leaders in their communities, Service Coordinators are a lifeline for the residents they serve and are the lynchpin of property programming, individual health and wellness, and community partnerships to address resident needs. When Service Coordinators are let go because obligated funds have not been awarded by HUD, the impacts can be devastating. In a recent AASC survey, 93% of housing owners and supervisors said residents are negatively impacted when there is a gap in services and supports because of Service Coordinator turnover. For example, when communities lose their Service Coordinators, residents suddenly go without much-needed assistance navigating health insurance benefits, getting prescriptions filled, accessing meal and nutrition support, and getting connected to internet discount programs.

In addition, like other parts of the aging services workforce, Service Coordination programs struggle with hiring and retention. Service Coordinator positions are particularly difficult to fill once vacant because of unique linguistic and cultural needs of HUD-assisted residents, as well as the often non-competitive wages resulting from HUD budget constraints. It's critical that HUD support the Service Coordinators already in place, rather than jeopardize them with funding delays.

- ***Disruption in Resident Services:*** Grant-funded Service Coordinators who remain employed while awaiting HUD funding are also adversely affected. Many Service Coordinators have reported that their employers can barely provide funds for salary and benefits and cannot support statutorily required ongoing training, technology, and supplies necessary to fully maintain the program and serve older adult residents. Funding uncertainties that prevent Service Coordinators from having the tools to most effectively serve residents put further strain on a profession that suffers from a high turnover rate driven largely by low wages and high stress.
- ***Delays in Property Maintenance and Operations:*** Housing providers that have been able to overcome the extreme funding delays have done so by borrowing from Reserve for Replacement accounts. Reserve accounts are not savings accounts that providers are allowed to draw from arbitrarily, but rather represent funding set-asides already obligated for necessary building repairs and contingencies, such as maintaining air conditioning during increasingly high-heat summers, like we are presently experiencing, or replacing the boiler. Drawing from these funds risks the state of the portfolio and the safety of residents

In addition, not all properties have access to these types of funds. Housing providers in Ohio report delaying other payments, including payments for management, accounting, and even payroll, in order to cover the cost of the Service Coordinator program while awaiting HUD grant funding.

Funding delays for the Service Coordinator program are a serious ongoing issue that has worsened each year. Under the previous Administration, full calendar year grant funding was typically delayed until July or August. In 2021, grantees were unable to voucher for expended funds until September.

Recommendations for Improving Grant Administration

Under your leadership, HUD has set priorities concerning resident wellness, safety, equity, and stability. Service Coordinators play a critical role in this vision. Failing to provide timely funding to support Service Coordination in HUD-assisted housing stymies the department's mission and hurts older adults and the aging services workforce. We are seeking your support to quickly address this issue and provide much-needed relief to the impacted communities.

As the Secretary of HUD, you acutely understand that housing is so much more than walls and a roof: It is a platform and a vehicle for all around wellbeing and justice for so many American households. We appreciate and share your commitment, and want to work together to elevate HUD-supported Service Coordination for older adults. Among other action, we urge you to consider these immediate steps that would improve HUD's administration of the annual grants – both this year and in the future:

- **Increase Capacity:** HUD's Office of New Funding and Grants is understaffed and under-resourced. While HUD is in the process of hiring up in this office, we urge the Secretary to implement an expedited process to immediately increase staff who can assist with the administration of Service Coordinator grants. HUD should also request more funding from Congress to add more capacity in this critical area, including at Headquarters and in the field.
- **Improve Technology:** HUD Multifamily's technological systems are not equipped to quickly process or leverage data from the grants. We urge HUD to work with Congress to improve the technological systems used throughout the Office of Multifamily Housing Programs, including for Service Coordinator grant administration.
- **Streamline Processes and Improve Oversight:** HUD's approach to administering Service Coordinator grants is inherently slow and ineffective. Each year, the grants need to go through multiple steps of budget updates, renewal, review, and approval. We urge HUD to consider streamlining efforts that include options for multi-year renewals and streamlined budget approvals for Cost Of Living Adjustments. We also urge HUD to reconsider the system of oversight at both Headquarters and the field, including establishing a leadership structure that is solely dedicated to overseeing the Service Coordinator program and administration throughout the regions.
- **Access Resources to Leverage Data:** Currently, Service Coordinators complete annual resident assessments, but the data is not leveraged or published in the aggregate to Congress or to housing stakeholders. HUD should request funds from Congress to make grants available for technical assistance and data analytics grants that would allow HUD to improve and award new contracts to analyze and leverage the Standards for Success reporting. This will help identify the successes and gaps in Service Coordination and improve advocacy with Congress to appropriate funds for Service Coordination throughout the HUD-assisted portfolio.

We have previously shared these and other recommendations for improving the process; we look forward to meeting with you to continue this urgent discussion. In the meantime, we ask that you step in to do all you can to quickly distribute this year's available Service Coordinator grant renewal funds.

Lastly, we ask that you reexamine the wide gap in Service Coordination throughout the HUD-assisted senior housing portfolio. Despite HUD's stated commitment to serving older adults, fewer than half of Section 202 properties, HUD's flagship senior housing program, are currently outfitted with a Service

Coordination program (funded either through grants or through the property budget). HUD has been delayed in releasing a NOFO for new grants approved by Congress, and at the same time, properties attempting to implement or augment their budget-driven programs report challenges in securing HUD approval for adequate budget increases for Service Coordinators. We urge HUD to live up to its mission and commit to full and timely funding of Service Coordinators for every HUD Section 202 property.

It's crucial that steps are taken to provide timely funding and full support to Service Coordinator programs throughout the Section 202 program so that they can serve older adult residents. AASC and LeadingAge stand ready to assist in these efforts.

Sincerely,



Michelle Missler, AASC President & CEO



Katie Smith Sloan, LeadingAge President & CEO

About the American Association of Service Coordinators

The American Association of Service Coordinators (AASC) is a professional membership association and a national resource for service-enriched housing professionals. AASC's more than 4,000 members assist elderly and disabled residents and families living in affordable housing communities to identify, locate, and acquire the services and supports necessary to become and remain self-sufficient. Established in 1999, AASC provides education, advocacy, best practices, leadership, and networking opportunities for its members.

About LeadingAge

We represent more than 5,000 nonprofit aging services providers and other mission-minded organizations that touch millions of lives every day. Alongside our members and 38 state partners, we use applied research, advocacy, education, and community-building to make America a better place to grow old. Our membership, which now includes the providers of the Visiting Nurse Associations of America, encompasses the continuum of services for people as they age, including those with disabilities. We bring together the most inventive minds in the field to lead and innovate solutions that support older adults wherever they call home. For more information visit leadingage.org.