

Thank you for the opportunity to comment on the second draft of the Ohio Housing Finance Agency 4% LIHTC Affordable Assisted Living Guidelines. The Ohio Health Care Association represents over 300 assisted living facilities in Ohio. We also represent most of the approved Critical Access Tier providers of the Assisted Living Waiver program. These providers are true AAL providers, with Medicaid beneficiaries making up more than 50% of their total occupancy

As we noted in our comments on the first draft of these guidelines, the demand for AAL has far exceeded supply, primarily due to insufficient rates from the ALW program. Last year's investment in home- and community-based services through House Bill 33 signaled the legislature's support for AAL in Ohio. OHCA and other organizations representing assisted living strongly supported these provisions, which originated with Governor DeWine's Executive Budget and were further enhanced through the legislative process. The end result was a roughly 80% increase in Assisted Living Waiver rates and special consideration for AAL providers with high Medicaid occupancy through the critical access tier.

From December 2023, before the rate increases went into effect, through September 2024, the active caseload for assisted living waiver has increased 12%. We do not know how many more Ohioans are awaiting an assisted living bed, as that data is unavailable. However, providers continue to turn away consumers due to insufficient waiver beds. We also know that our aging population in Ohio continues to outpace our younger generations. According to Miami University Scripps Gerontology, between 2020 and 2040, Ohio's total population is projected to grow by 0.9%, from 11,575,100 to 11,680,180.1 In that same period, Ohio's population, ages 60 and older, is expected to increase by 3.9%, from 2,814,200 to 2,924,320. The largest population of adults ages 60 and older is expected in 2030, with 3,050,200 older adults in the state, an 8.4% increase from 2020. By 2040, Ohioans ages 60 and older will make up 25% of Ohio's total population. Due to this population growth, the Ohio Department of Aging, the Administration, and the Ohio Legislature have supported the expansion of available AAL in Ohio.

While we appreciate the thoughtful considerations of OHFA in amending the guidelines presented in the first draft, we continue to express our concerns over the potential unintended negative consequences on the expansion of AAL options in Ohio. On the Specific Architectural Standards, we are concerned that the "Dedicated Program Space" limitation inhibits a provider's ability to meet the requirements for an Assisted Living Waiver provider under OAC 173-39-2.16. According to this rule, basic assisted living must include social, recreational, and leisure activities, which requires a sizeable programmatic space to meet the needs of the aging population. Additionally, we are required under the same rule to provide 3 meals per day and snacks. We require commercial kitchen space and food storage facilities that would comply with regulatory requirements under the Ohio Department of Health. Listing Commercial Kitchens and Recreational Spaces in this definition while imposing a limitation of 10% is an unreasonable restriction. Furthermore, under the Rules governing Residential Care Facilities (RCFs), Assisted Living Waiver providers must possess active licensure for each RCF and have at least one room with comfortable, safe, and functional further to be used by residents for dining that comfortably accommodates the number of residents to whom RCFs provide meals to (OAC 3701-16-14). This required dining space also takes a considerable amount of square footage in an assisted living community and is required. Your definition of Dedicated Program Space also appears to include common spaces, such as a lobby or hallway. These spaces alone would likely take 10% of the total building square footage.

The coalition of experienced developers in AAL has suggested that OHFA require at least 50% of the building's square footage for resident units, and we support this suggestion. Not only will it enable these providers to meet regulatory requirements for licensure and certification as RCF/ALW providers, but it will also ensure the quality of life for the AAL residents.

We also take issue with the interpretation that OHFA shared on October 16 regarding the application limits for 4% LIHTC AAL. We understand that the current 4% LIHTC programs require that a new developer submit an initial application before submitting subsequent applications for review. Understandably, OHFA wants to ensure the developers understand the process before issuing multiple applications. However, we strongly disagree with applying a limitation to subsequent applications. Limiting the applications for new developers will further delay access to AAL and not allow for sufficient development to meet the needs of the aging population in Ohio. It further frustrates the intention of the Administration and Legislature to expand access to AAL, which we have made a significant investment in supporting as a state. This restriction does not appear to exist for other 4% LIHTC programs, so it seems inconsistent with the OHFA approach.

We appreciate the opportunity to provide comments and OHFA's consideration of our views.

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