

To: Chair Jennifer Schultz & House Human Services Finance & Policy Committee Members

Re: **Customized Living Service Provider Requirement (Article 6 Section 27 of DE1 to HF 2127)**

Clare Housing has been on the frontlines of providing quality supportive services and permanent affordable housing for people living and impacted by HIV/AIDS in Minnesota. Clare Housing began housing individuals diagnosed with AIDS in 1987 and is now the largest licensed provider of supportive affordable housing for people living with HIV in Minnesota. When individuals with HIV/AIDS have access to stable housing they are more likely to remain connected to health care, to be virally suppressed, and to adhere to their medication regimen. Clare Housing's impact is demonstrated annually by ensuring at least 90% of our residents are virally suppressed and 90% of our residents maintain their housing for at least 12 months.

Clare Housing owns and operates four apartment buildings financed with Low-Income Housing Tax Credits (LIHTC) through MHFA and arranges for customized living services for its low- and moderate-income tenants that need that level of service. Customized living services are those services that help disabled or formerly homeless people live as independently as possible by assisting them with daily living tasks, such as bathing or managing medicines. **Currently, Clare Housing can provide customized living services without obtaining an assisted living license** because the legislature exempted LIHTC projects from the assisted living licensure requirement.

Article 6 Section 27 of the DE amendment to HF 2127 changes Minnesota law to require facilities that provide customized living services to receive an assisted living license, even if they were already exempted in the assisted living licensure law. This new language allows exemptions for federally financed public housing reserved for the disabled and elderly but does not extend exemptions to housing financed by sources provided by Minnesota Housing Finance Agency.

If Article 6 Section 27 is included in this bill, Clare Housing will have to obtain assisted living licenses to continue to provide customized living services to its tenants. If Clare Housing is forced to obtain such a license, certain structural changes will be imposed on Clare Housing's apartments that Clare Housing does not need to service its tenants. For example, Clare Housing will have to upgrade or install kitchen facilities to be able to provide meals to its tenants at a cost of \$180,000-\$200,000 per location. Clare Housing will also have to hire staff that it does not currently employ or need. **This will make providing services more expensive with no additional benefit to our tenants. If Clare Housing cannot afford to comply with the new assisted living license requirements, low and moderate income tenants may lose their housing and be forced into assisted living facilities.**

**We ask that you include clause (10) from 144G.08, subdivision 7 in the exemption list for Customized living services provider requirements.**

Thank you for your time and consideration.

Sincerely,

Phoebe Trepp  
Executive Director – Clare Housing