



Statement for the Record

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Hearing:
"A Strong Foundation: How Housing is the Key to Building Back a Better America"

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We are pleased to submit this statement from LeadingAge. LeadingAge represents more than 5,000 nonprofit aging services providers, including affordable senior housing 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 encompasses the continuum of services for people as they age

LeadingAge firmly believes the availability of affordable, quality housing is critical for an America where older adults with low incomes are not living longer just to be saddled with exorbitant housing costs that squash their ability to live with dignity and choice. The Build Back Better Act must retain its \$2.4 billion for HUD's Section 202 program.

Today, millions of older adults with the lowest incomes who pay more than half of their incomes for rent spend less than half of what their non-housing cost-burdened peers do on food and healthcare¹. Any notion that older adults with low incomes are doing just fine on their fixed incomes is out of touch with skyrocketing housing costs compared to those fixed incomes, often years' long waits for housing assistance, and rising homelessness among older adults.

Expanded affordable housing can change the trajectory of retirement years for millions of Americans from the assured punishing impacts of poverty to a quality of life replete with choice and dignity.

The expansion of HUD's affordable housing programs in the Build Back Better Act are key to improving how well older adults with low incomes will age in America. With deep income targeting and affordable rents, HUD programs ensure older adults with the most severe housing affordability problems will no longer be punished by a housing market that has no room, absent public subsidy, for affordable housing. All housing programs are important to older adults. All told, HUD programs help more than 1.9 million older adults live affordably in quality housing. One of HUD's programs, the Section 202 Supportive Housing for the Elderly program, is HUD's only program focused on meeting the unique needs of older adults with very low incomes.

Section 202 Supportive Housing for the Elderly

HUD's Section 202 Supportive Housing for the Elderly program is uniquely qualified to meet the needs of older adults with very low incomes. LeadingAge strongly supports the Build Back Better Act's \$2.4 billion for the Section 202 program. These funds would produce about 37,500 Section 202 homes, would fund new Service Coordinators, and would help states better target health and support resources to affordable senior housing residents, making "aging in community" a reality instead of a pipedream.

The Section 202 program is targeted to 62+ households with very low incomes, defined as incomes below 50% of the area median. In practice, Section 202 households have average annual incomes of \$14,109. As in most other HUD programs, residents pay 30% of their adjusted incomes for rent. This keeps the housing affordable for each individual household, even if incomes fluctuate.

Today, 17% of Section 202 residents are 80+ and, 49% of Section 202 households are non-white, two characteristics that make Section 202 residents at greater risk from COVID-19. Further, HUD said several years ago that 38% of Section 202 residents are frail or near-frail, a figure that has likely only increased as people age in their homes longer.

¹ <https://www.jchs.harvard.edu/housing-americas-older-adults-2019>

A hallmark of HUD's Section 202 Supportive Housing for the Elderly program is its focus on connecting residents to services and supports to allow them to remain in their homes and in their neighborhoods. Within the Build Back Better Act's \$2.4 billion for the Section 202 program is also funding for new Service Coordinators, which LeadingAge strongly supports.

About half of all Section 202 communities, and all new Section 202 communities, have a Service Coordinator on-site. Service Coordinators assess resident needs and identify and link residents to appropriate services and monitor the delivery of services. These services often involve meeting residents' needs for activities of daily living (ADLs), such as eating, dressing, bathing, grooming, transferring, and home management. Service Coordinators may also educate residents about what services are available and how to use them, and help residents build informal support networks with other residents, family, and friends. Of course, Service Coordinators may not require any elderly family to accept the supportive services. In any Section 202 building, the Service Coordinator helps each individual resident identify the services needed to age in community, which of course differ among residents and change over time. Altogether, Service Coordinators help older adults age in community.

Research has found Service Coordinators lower hospital use, increase higher value health care use (e.g. primary care), have success reaching high-risk populations, and result fewer nursing home transfers.²

It is interesting to note that the Centers for Disease Control included HUD's Section 202 Supportive Housing for the Elderly program in its Pharmacy Partnership for Long Term Care COVID-19 vaccination clinics roll-out in December 2020. Along with nursing homes and assisted living, the CDC understood that Section 202 residents must also be included in the Pharmacy Partnership for Long Term Care's first line of COVID-19 vaccination clinics. In doing so, they understood that most HUD Section 202 residents would be in assisted living if they could afford it and, because of the lack of affordable assisted living, some Section 202 residents would be in a nursing home but for the Section 202 program. In short, the Section 202 program meets national and state goals of allowing people to live in the least restrictive setting possible.

The Section 202 Supportive Housing for the Elderly program has a winning combination of deep income targeting, affordable rents and commitment to aging in community. We commend the Committee's vision in including these provisions in its Build Back Better affordable housing provisions.

Need for Affordable Housing for Older Adults

There is a severe shortage of affordable housing for older adults with very low incomes, precisely the population required to be served by HUD's Section 202 Supportive Housing for the Elderly program.

In HUD's *Worst Case Housing Needs: 2021 Report to Congress*³, data show an alarming 16% increase of "worst case housing needs" among older adult households between 2017 and 2019. Indeed, between 2009 and 2019, worst case housing needs among older adults increased 82%. Meanwhile, across all household types, including older adult households, worst case needs increased between 2009 and 2019 by 9%.

In 1991, Congress directed HUD to deliver this biannual report to ensure that the nation understood and could adequately respond to its most pressing housing needs.

² http://www.ltsscenter.org/reports/Financing_Services_in_Affordable_Senior_Housing_FULL_REPORT.pdf

³ <https://www.huduser.gov/portal/publications/Worst-Case-Housing-Needs-2021.html>

A “worst case housing needs” household is defined as a renter household with “very low income” (income below 50% of area median) either paying more than half of their income for rent, living in severely inadequate housing, or both. The vast majority of WCHN households spend more than half of their incomes toward rent (97.5%) vs. live in severely inadequate housing.

In 2019, LeadingAge asked our affordable senior housing members about their waiting lists. Most have waiting lists of two to five years. A member with four communities in the Virginia and Maryland suburbs of Washington, DC, has 1,500 people on their waiting lists, and a wait time of about five years. A member in Philadelphia, PA, has 100 units and about 150 people on the waitlist; the wait time is about three to four years. In Madison, IN, a member has 40 units with 21 on the waiting list; the wait for a studio is approximately 18 months, wait for a one bedroom is approximately three years. A member in Santa Clara, CA, has 154 units in two buildings, with approximately 350 people on the waiting lists and an approximate wait time of at least three to five years; both lists have been closed for the last three years.

For these older adult households and the many more who don’t even bother getting on a waiting list or cannot do so because the waiting list is closed, the solution is to expand the supply of affordable senior housing. HUD’s Section 202 Supportive Housing for the Elderly program provides not only the affordable housing, but also the connection to services and supports. A significant expansion of this program is decades overdue.

Meanwhile, researchers have documented steep increases in homelessness among older adults⁴. The majority of the older adult population experiencing homelessness have housing and health needs that can be met directly by HUD’s Section 202 Supportive Housing for the Elderly program. Today, homelessness among older adults has resulted in the “graying of America’s homeless population.” With an infusion of new affordable housing funding, the nation can reverse this dangerous trajectory.

Future Household Growth

Today’s long waiting lists for affordable senior housing are also a warning to quickly prepare ourselves for even worse housing shortages on the near horizon. The Urban Institute’s January 2021 report, *The Future of Headship and Homeownership*⁵, which looks at household formation from 2020 to 2040, found:

- All future net household growth will be nonwhite.
- Almost all (13.8 million out of 16 million) future net household growth will be among older adult households.
- Renter growth will be more than twice the pace of homeowner growth. Of 13.8 million new older adult households, 5.5 million will be renters and 2.8 million of these new older adult renter households will be Black older adult renter households.

To prepare for the surge and renters and demographic changes, Urban recommends the nation increase the supply of affordable rental housing for older adults.

Affordable housing is key to the ability of older adults to age with choice and dignity. Immediate and future affordable housing needs among older adults require a swift response from Congress to expand HUD’s successful Section 202 program. The Build Back Better Act must retain its \$2.4 billion for HUD’s Section 202 program.

⁴ <https://endhomelessness.org/building-a-conversation-aged-homelessness-on-the-rise/>

⁵ <https://www.urban.org/research/publication/future-headship-and-homeownership>