



October 7, 2022

The Honorable Rosa DeLauro  
Chair  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Patrick Leahy  
Chairman  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

The Honorable Kay Granger  
Ranking Member  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Richard Shelby  
Vice Chairman  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

The Honorable David E. Price  
Chairman  
Subcommittee on Transportation, Housing, and  
Urban Development, and Related Agencies  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Brian Schatz  
Chair  
Subcommittee on Transportation, Housing and  
Urban Development, and Related Agencies  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

The Honorable Mario Diaz-Balart,  
Ranking Member  
Subcommittee on Transportation Housing, and  
Urban Development, and Related Agencies  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Susan Collins  
Ranking Member  
Subcommittee on Transportation, Housing and  
Urban Development, and Related Agencies  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

Dear Chair DeLauro, Ranking Member Granger, Chairman Price, Ranking Member Diaz-Balart, Chairman Leahy, Vice Chairman Shelby, Chair Schatz, and Ranking Member Collins:

I am writing to urge swift enactment of a final fiscal year 2023 HUD appropriations bills, and to reiterate LeadingAge's priorities for the Department of Housing and Urban Development's FY23 appropriations bill.

Timely and sufficient funding is critical to the more than 1.98 million older adult households served by HUD's programs today and the millions of older adults eligible for affordable housing but who cannot access it because the programs are too small to serve the existing and growing need.

LeadingAge represents more than 5,000 mission-driven aging services providers, including affordable senior housing providers and other mission-minded aging services organizations. 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.

## **Section 202 Supportive Housing for the Elderly**

HUD's Section 202 program is unique among affordable housing programs. As a HUD program, it is deeply income targeted (average annual Section 202 household incomes are \$14,272) and rents remain affordable to individual households even if incomes happen to decrease. As a "supportive housing for the elderly" program, there is a strong emphasis on encouraging aging in community by residents. Service coordinators serve about half of HUD-assisted senior housing communities, coordinating access to locally-provided (in the community, in the apartment building, in the home) services and supports to help residents age in their apartments rather than in much more expensive and restrictive environments. These characteristics, deep income targeting, affordability, and connection to voluntary services and supports, make the Section 202 program unique among all affordable housing programs.

### ***Expand the Supply of New Section 202 Homes***

LeadingAge is grateful for the revival of the HUD's Section 202 Supportive Housing for the Elderly program to create and provide operating subsidy for new Section 202 homes since fiscal year 2017. Expanding the supply of affordable senior housing is LeadingAge's top housing priority.

LeadingAge **urges Congress to provide at least the House bill's funding level of \$323 million, which would provide for about 3,500 new Section 202 Supportive Housing for the Elderly homes.** The FY22 bill's \$199 million for new Section 202 homes was a strong acknowledgement that the Section 202 program works and deserves to be expanded.

Dozens of [Representatives](#) and [Senators](#) have urged appropriators to provide \$600 million for new Section 202 homes in FY23. The Senate bill's \$132 million for new Section 202 homes does far too little to address the growing affordable housing challenges of older adults (62+) and to reverse the 5% decrease in the share of HUD households who are older adults between 1989 and 2019.<sup>1</sup>

In HUD's *Worst Case Housing Needs: 2021 Report to Congress*<sup>2</sup>, 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 68% (compared to a 9% increase over the same period for all household types).

### ***Project Rental Assistance Contract Renewals***

The Project-Based Rental Assistance program provides operating subsidy for two-thirds of Section 202 communities and, overall, serves older adults in 51% of its 1.2 million homes is a critical affordable senior housing program.

LeadingAge is grateful that Congress has been steadfastly committed to providing full rental assistance renewal funding. **LeadingAge supports full renewal funding for Section 202 Project Rental Assistance Contracts and Senior Preservation Rental Assistance Contracts.** LeadingAge understands that appropriators receive the latest information from HUD on renewal and amendment needs. Of course,

---

<sup>1</sup> <https://www.huduser.gov/portal/sites/default/files/pdf/2019-Characteristics-Report.pdf>

<sup>2</sup> <https://www.huduser.gov/portal/publications/Worst-Case-Housing-Needs-2021.html>

inflationary factors must keep pace with the reality of higher operating and maintenance costs. LeadingAge members seek to operate and maintain the highest-quality affordable senior housing.

### ***Rental Assistance Demonstration***

**LeadingAge supports the Senate bill's \$10 million** to increase Section 202 Project Rental Assistance Contracts rents converting to the Section 8 platform under the Rental Assistance Demonstration. This is \$4 million above the House-passed bill's funding, matches what HUD requested for FY23, and is in line with what LeadingAge understands to be the need to address the current pipeline of RAD for 202 PRAC interest and applications. Ensuring 202 PRAC rents are at their highest possible point prior to RAD conversion is critical to successfully preserving these at-risk developments.

LeadingAge also supports expanding RAD to include the conversion of Senior Preservation Rental Assistance Contracts (SPRACs).

### ***Grant-Funded Service Coordinators***

Both the House and Senate bills fully fund the renewal of HUD's grant-funded Service Coordinators, which LeadingAge strongly supports. The Senate bill provides \$25 funding for new grant-funded Service Coordinators within the Section 202 account; the House bill provides \$31 million for new Service Coordinators via budget-based rent increases in the Section 8 Project-Based Rental Assistance account. The reality is that **both sources are needed to expand the number of Service Coordinators** in HUD multifamily senior housing where connecting older adults to the services and supports they need to age in community is an integral part of this housing. 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.<sup>3</sup>

## **Section 8 Project-Based Rental Assistance**

### ***PBRA Renewals***

As with 202 PRAC renewals, both the House and Senate bills appear to do **provide sufficient funding to fully renew PBRA contracts**. LeadingAge appreciates Congress' continued commitment to ensuring currently-assisted residents have no disruption to their affordable housing. LeadingAge understands that appropriators receive the latest information from HUD on renewal cost needs. Of course, inflationary factors must keep pace with the reality of higher operating and maintenance costs. LeadingAge members seek to operate and maintain the highest-quality affordable senior housing.

### ***Budget-Based Rent Increases for Certain At-Risk Post-Mark-to-Market Properties***

LeadingAge **supports the House bill's up to \$250 million for budget-based rent adjustments for certain at-risk post-Mark-to-Market (M2M) Section 8 properties to prevent distress and facilitate rehabilitation**. According to HUD, of the approximately 1,800 post-M2M Section 8 properties, approximately 830 have rents currently below Fair Market Rents for their locality. These funds would allow a BBRI adjustment where project income is insufficient to operate and maintain the project, and no rehabilitation is currently needed, as determined by the Secretary; or the rent adjustment or renewal contract is necessary to support commercially reasonable financing (including any required debt service coverage and replacement reserve) for rehabilitation necessary to ensure the long-term sustainability of the project, as determined by the Secretary. The House language also makes clear that if an owner or purchaser fails to implement the rehabilitation as required by the Secretary, the Secretary may take

---

<sup>3</sup> [http://www.ltsscenter.org/reports/Financing\\_Services\\_in\\_Affordable\\_Senior\\_Housing\\_FULL\\_REPORT.pdf](http://www.ltsscenter.org/reports/Financing_Services_in_Affordable_Senior_Housing_FULL_REPORT.pdf)

such action against the owner or purchaser as allowed by law. LeadingAge supports these provisions and will encourage HUD to use its existing authority to ensure that this much needed relief is deployed in such a way as to maximize tenant benefit while benefiting responsible owners who are committed to addressing property needs and preserving these homes well into the future. We also agree with the Senate’s explanatory statement, “The Committee places a priority on providing access to safe, sanitary, and affordable housing to those most in need. If owners fail to uphold these standards, HUD should hold them accountable.”

#### **Budget-Based Rent Increases for Certain PBRA Properties with Health and Safety Deficiencies**

LeadingAge supports the House bill’s up to \$25 million for BBRI adjustments for other PBRA properties that have health and safety deficiencies, to set rents at or below market rent, based on a current rent comparability assessment. This funding would stabilize operating budgets of the affected properties and, where needed, provide for rehabilitation and/or transfer of ownership. Again, the House language also makes clear that if an owner or purchaser fails to implement the rehabilitation as required by the Secretary, the Secretary may take such action against the owner or purchaser as allowed by law. LeadingAge supports these provisions and will encourage HUD to use its existing authority to ensure that this much needed relief is deployed in such a way as to maximize tenant benefit while benefiting responsible owners who are committed to addressing property needs and preserving these homes well into the future. We also agree with the Senate’s explanatory statement, “The Committee places a priority on providing access to safe, sanitary, and affordable housing to those most in need. If owners fail to uphold these standards, HUD should hold them accountable.”

#### **Budget-Based Rent Increases for Service Coordinators in PBRA Properties Serving Older Adults**

LeadingAge supports the House bill’s \$31 million to support budget-based rent increases at Section 8 project-based rental assistance properties serving older adults to cover the cost of a Service Coordinator to help residents stay healthy and age in community. LeadingAge supports these resources for more Service Coordinators. 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 in fewer nursing home transfers.<sup>4</sup> The data are murky, but we know that only about half of eligible HUD senior communities have a Service Coordinator.

#### **Housing Choice Vouchers**

LeadingAge supports the highest possible funding for new Housing Choice Vouchers. We also support directives for HUD to relax constraints on project-basing vouchers for “affordable housing projects that serve special populations, including people experiencing homelessness and individuals discharged from hospitals and other facilities” to provide “affordable housing to special needs populations who would otherwise face barriers in finding suitable housing in the private rental market.”

#### **Homelessness**

As the National Alliance to End Homelessness recently said, “To improve the national response to homelessness among older adults, policymakers need better data on the magnitude of the issue.” Homelessness continues to rise for older adults. HUD must do a much better job collecting and analyzing data on homelessness among older adults. HUD’s Annual Homeless Assessment Report (AHAR), which comes out in two parts, reflects information from three sources: 1) Point-in-Time (PIT) Count data of

---

<sup>4</sup> [http://www.ltsscenter.org/reports/Financing\\_Services\\_in\\_Affordable\\_Senior\\_Housing\\_FULL\\_REPORT.pdf](http://www.ltsscenter.org/reports/Financing_Services_in_Affordable_Senior_Housing_FULL_REPORT.pdf)

individuals experiencing homelessness on one night in January; 2) Longitudinal System Analysis (LSA) report submitted annually by Continuums of Care (CoCs), which provides information about individuals experiencing homelessness during a 12-month period and their use of services; and, 3) Housing Inventory Count (HIC) data about the inventory of shelter and housing available in a community. Unfortunately, none of these sources collect great information on older adults experiencing homelessness. **HUD should be directed to improve its collection and public availability of data on older adults experiencing homelessness** and to collect consistent data across these three sources on people 50+ and people 62+. For example, Point-in-Time Count age categories are limited to three age ranges: under 18, 18-24, and over 24. Unless we know more about homelessness among older adults, we'll be hard-pressed to develop and implement the best solutions. The AHAR should also include a section specifically on older adults.

## **CDBG**

LeadingAge supports the Senate bill's CDBG set-aside for a new Yes In My Backyard Incentive Grant Program to reward State, local, and regional jurisdictions that have made progress in improving exclusionary zoning practices, land use policies, and housing infrastructure that will ultimately increase the supply of affordable housing.

## **Internet**

LeadingAge supports the House's report language requesting HUD to report to appropriators on barriers to building-wide internet services for current Section 202 units. While we are hopeful that broadband resources from the Bipartisan Infrastructure bill will result in funding in HUD multifamily communities for both the installation and service feeds for internet, those resources could be years away. More parity is needed between the internet installation and services covered by public housing programs and those on the multifamily side.

## **Aging-in-place Home Modification Grants**

LeadingAge supports language in the Senate bill that would expand eligible recipients under this program beyond just homeowners to "low income seniors living in homes that are not receiving project-based rental assistance." More than 22% of the nation's older adults rent their homes, a share that is only projected to increase. Older adult renters should not be left out of this program, which brings important accessibility to older adults' homes.

## **Buy America Requirements**

In the report accompanying the Senate's FY23 HUD funding bill, the Appropriations Committee "urges the Department to fully and swiftly comply with the Buy America requirements." Currently, HUD programs are operating under a temporary waiver, from the new Buy America Preference requirement. The waiver is set to expire on November 15, 2022, and all infrastructure funds awarded after that date will be subject to the new requirement, pending any further general or specific waivers from HUD. In July 2022, responding to a request from HUD for comments on the new requirements, LeadingAge urged HUD to exempt affordable housing from the "Buy America" requirement. With construction material costs and other inflation at record levels, new restrictions on materials used in HUD-funded projects could derail planned and anticipated affordable senior housing construction and rehab. "While the goals of BABA are important, implementing such requirements may exacerbate the massive and nationwide

affordable housing shortage and ultimately have an overall negative impact on the country's affordable housing goals," LeadingAge commented to HUD.

### **Overall HUD Funding**

As stated, HUD's programs serve 1.98 million older adults. Most every housing program, including public housing, housing choice vouchers, the multifamily programs, etc., serve older adults with the lowest income, protecting them from homelessness and providing the stability they need to age in community. LeadingAge supports a robust FY23 HUD funding bill that recognizes the array of programs that allow older adults to age in community.

Thank you for your tremendous work on the FY23 HUD funding bill and for your consideration of these comments.

Sincerely,

Linda Couch  
Vice President, Housing Policy