



Statement for the Record

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Hearing:  
"Affordability and Accessibility: Addressing the Housing Needs of America's Seniors"

Senate Committee on Banking, Housing, and Urban Affairs

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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 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

LeadingAge firmly believes the availability of affordable, accessible 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.

It is past time for Congress to recommit itself to providing the resources necessary for older adults to have affordable, accessible homes and to turning back the tide of increasing homelessness and dramatically increasing levels of housing cost burdens among older adults. Through annual appropriations bills, reconciliation measures, and mandatory spending, Congress can get the job done. 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.

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 healthcare<sup>1</sup>. 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.

The expansion of HUD's affordable housing programs is 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.

### **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*<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%. 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.

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

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

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

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.

### **Homelessness**

Researchers have documented steep increases in homelessness among older adults<sup>3</sup>. 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.

Per HUD's *2018 Annual Homeless Assessment Report: Part 2*,<sup>4</sup> the number of sheltered homeless aged 62+ rose from 46,000 to 76,500 between 2007 to 2017. Older adults now make up 23% of the sheltered homeless population, up from 16.5% in 2007.

HUD's biannual worst case housing needs reports, discussed above, were to be a sort of canary in a coal mine to alert Congress to particularly damaging impacts of severe housing cost burdens. The reports have come on schedule; the necessary affordable housing investments from Congress to respond to the reports have not.

### **Future Older Adult Household Growth**

The Urban Institute's January 2021 report, *The Future of Headship and Homeownership*<sup>5</sup>, 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.

"Between 2020 and 2040, the number of senior households (those headed by someone age 65 or older) will explode. And during this period, we project the senior homeownership rate will drop from 78 to 73 percent. As a result of these two effects, the nation will need to house an additional 5.5 million senior renter households—more than half of whom will be households of color. But nationally, we do not have enough affordable senior-friendly rental units for this growing population," Urban Institute researchers wrote Laurie Goodman and Jun Zhu in May 2021.<sup>6</sup>

According to the Urban Institute, close to 70% of the 5.5 million increase in the number of senior renters will come from 15 states: California, Florida, Texas, New York, North Carolina, Georgia, Arizona, Ohio, Illinois, New Jersey, Missouri, Tennessee, Michigan, Virginia, and Washington State.

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<sup>3</sup> <https://endhomelessness.org/building-a-conversation-aged-homelessness-on-the-rise/>

<sup>4</sup> <https://www.hudexchange.info/resource/6161/2018-ahar-part-2-estimates-of-homelessness-in-the-us/>

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

<sup>6</sup> [https://urban.org/urban-wire/forthcoming-senior-rental-crisis-has-implications-federal-state-and-local-policy-making?cm\\_ven=ExactTarget&cm\\_cat=HFPC+-+5.19.2021&cm\\_pla=All+Subscribers&cm\\_ite=2nd+blurb+headline+-](https://urban.org/urban-wire/forthcoming-senior-rental-crisis-has-implications-federal-state-and-local-policy-making?cm_ven=ExactTarget&cm_cat=HFPC+-+5.19.2021&cm_pla=All+Subscribers&cm_ite=2nd+blurb+headline+-)

The Urban Institute projects that Ohio alone will see its older adult renter population increase 56% between 200 and 2040 (an increase of 169,528 older adult renter households). In 2020, 19% of Ohio's older adult households were renters; by 2040, Urban projects 27% of them will be.

### **Section 202 Supportive Housing for the Elderly and Project-Based Rental Assistance**

HUD's Section 202 Supportive Housing for the Elderly program is uniquely qualified to meet the needs of older adults with very low incomes. The Section 202 program and HUD's Section 8 Project-Based Rental Assistance program, which provides operating subsidy for two-thirds of Section 202 communities and, overall, serves older adults in 51% of its 1.2 million homes, are critical programs for older adults.

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.

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.

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.<sup>7</sup>

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.

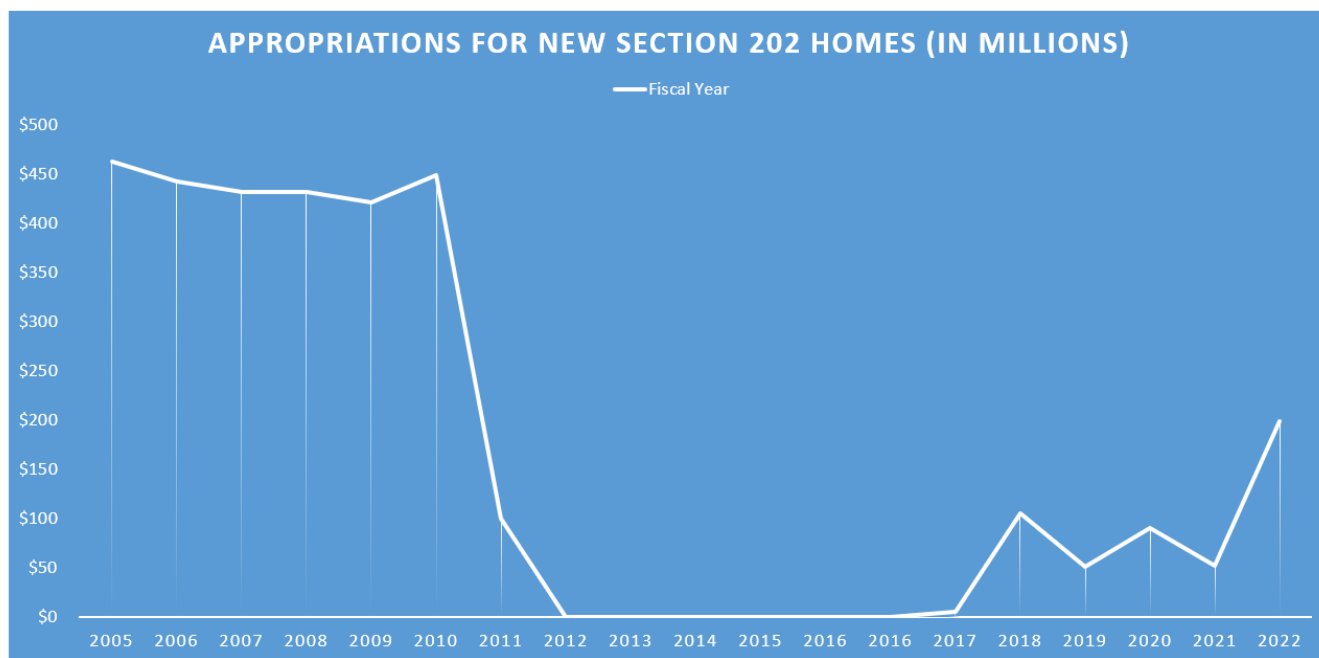
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<sup>7</sup> [http://www.ltsscenter.org/reports/Financing\\_Services\\_in\\_Affordable\\_Senior\\_Housing\\_FULL\\_REPORT.pdf](http://www.ltsscenter.org/reports/Financing_Services_in_Affordable_Senior_Housing_FULL_REPORT.pdf)

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.

In the two rounds of awards to nonprofit organizations since funding for new Section 202 homes was revived in fiscal year 2017, HUD has provided capital advances and ongoing operating subsidy funding for about 2,600 new Section 202 homes.<sup>8</sup> For the seniors who will live in these homes, these awards are a lifesaver. But we must do more.

LeadingAge is grateful to Congress for the largest funding for new Section 202 homes, \$199 million, in the FY22 HUD funding bill since 2010.



### Share of HUD Households Who Are Older Adults Declines

As HUD notes in its *Characteristics of HUD-Assisted Renters and Their Units in 2019*, released in March 2022, the share of HUD households who are 65+ decreased from 35% in 1989 to 30% in 2019. Overall, the number of HUD-assisted rental units only increased by 11% between 1991 and 2019. During the same period, the total number of all very low income renter households in the U.S., who are generally eligible for HUD housing assistance, increased by 18%.<sup>9</sup>

### Waiting Lists

LeadingAge has asked our affordable senior housing members about their waiting lists. Most have waiting lists of two to five years. A very large member in Ohio, with more than 100 affordable senior housing communities, said that, barring “luck,” someone would wait one to two years to move into an affordable apartment. Another

<sup>8</sup> [https://www.hud.gov/press/press\\_releases\\_media\\_advisories/HUD\\_No\\_20\\_020](https://www.hud.gov/press/press_releases_media_advisories/HUD_No_20_020), and [https://www.hud.gov/press/press\\_releases\\_media\\_advisories/HUD\\_No\\_21\\_156#:~:text=Section%20202%20grants%20provide%20very,to%20meet%20their%20unique%20needs](https://www.hud.gov/press/press_releases_media_advisories/HUD_No_21_156#:~:text=Section%20202%20grants%20provide%20very,to%20meet%20their%20unique%20needs).

<sup>9</sup> <https://www.huduser.gov/portal/sites/default/files/pdf/2019-Characteristics-Report.pdf>

Ohio member has waiting lists that stretch to 5 years for one community, 6 years for another, and 9 years for another where there are 164 older adults on a waiting list for a housing community of 45 apartment homes.

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.

### **Accessible Housing**

For many older adults, both renters and owners, accessible housing is as important a need as affordable housing. A March 23 article about a 63 year old woman in Savannah, Georgia, includes a painful video of her crawling up the set of stairs she must concur to get in and out of her subsidized apartment. "I'm in prison up here," Lisa Vollmer is quoted in the article. "I mean, I know it's a nice apartment. It was brand-new and everything, and I love the apartment. I hate the stairs. There's no way around it."<sup>10</sup>

According to research from HUD published in March 2022, 19% of all U.S. households include someone with accessibility needs. These 23.1 million households include an individual who has a mobility-related disability, has difficulty accessing their home or accessing and using spaces in their homes, or uses a device to assist with their mobility. However, the *Accessibility in Housing: Findings from the 2019 American Housing Survey* report found, these households largely live in homes that are not fully accessible.<sup>11</sup>

HUD's Older Adult Homes Modification Program is a relatively new program providing funding to make safety and functional home modifications to enable low income older adults remain in their homes. However, this program is only allowed to make home modifications for older adults who own their homes and leaves out the 22% (and growing) share of older adults who rent their homes. Allowing all older adults to access this program's benefits is important.

### **Lowering Housing Costs Will Rein in Inflation**

Over the last 12 months, through February 2022, the Consumer Price Index has increased by 7.9%. According to the Bureau of Labor Statistics, which tracks the CPI, "The shelter index was by far the biggest factor in the increase."<sup>12</sup> The CPI measures the change in prices paid by consumers for goods and services. The CPI is based on prices of food, clothing, shelter, fuels, transportation, doctors' and dentists' services, drugs, and other goods and services that people buy for day-to-day living. "If policymakers are serious about reining in inflation, then they have little choice but to take on the shortfall in housing supply," Mark Zandi and Jim Parrott said in a January 2022 piece in *The Washington Post*. "This means improving the economics of building enough to

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<sup>10</sup> <https://www.savannahnow.com/story/news/2022/03/23/savannah-disabled-residents-struggle-find-accessible-affordable-housing/9425869002/>

<sup>11</sup> <https://www.huduser.gov/portal/sites/default/files/pdf/Accessibility-in-Housing-Report.pdf>

<sup>12</sup> <https://www.bls.gov/news.release/pdf/cpi.pdf>

overcome the costs that have been holding builders back in recent years. This can be done in any number of ways, including tax breaks, grants, access to less expensive capital and incentives to get local decision-makers to ease zoning rules and restrictions on development.”<sup>13</sup>

The shortage of housing will not evaporate on its own. “While the other drivers of inflation are set to ease in the coming months, the shortfall in housing isn’t going anywhere unless policymakers do something,” Parrott and Zandi say.

Affordable, accessible 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.

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<sup>13</sup> <https://www.washingtonpost.com/business/2022/01/31/if-policymakers-are-serious-about-tackling-inflation-they-need-address-soaring-housing-costs/>