



# Testimony on the 2023-24 Executive Budget Proposal: Housing

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Testimony Provided by

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## **Introduction**

On behalf of the membership of LeadingAge New York, thank you for the opportunity to submit written testimony on the State Fiscal Year (SFY) 2023-24 Budget for the Division of Housing and Community Renewal (DHCR). LeadingAge New York represents over 400 not-for-profit and public providers of senior housing, aging services, and long-term and post-acute care, as well as provider-sponsored Managed Long Term Care plans. Of our members, approximately 80 are affordable senior housing providers.

New York is home to approximately 3.6 million residents aged 65 and older, representing more than 18 percent of the population. Both the number and percentage of older New Yorkers are expected to continue to rise over the coming years, with nearly 20 percent of New York's population projected to be aged 65 or older by 2026. This growth will drive a corresponding increase in the number of New Yorkers with cognitive and functional limitations who require long-term supports and services. However, by 2026, the availability of younger New Yorkers to care for seniors both informally and in the formal care system will also be at its lowest point in a decade and declining.

Faced with these current and future demographic challenges and their anticipated impact on the State budget, New York must act now to reduce overall State spending by expanding opportunities for low- and middle-income seniors to live independently with access to appropriate support in the community.

LeadingAge New York appreciates the Executive Budget's clear commitment to expanding statewide housing supply through the "New York Housing Compact" package of proposals. However, given the unique needs of seniors and the unique nature of senior housing – which often provides not only age-appropriate design, safety, and accessibility features, but also assistance with accessing much-needed, non-medical aging services – we urge the Legislature to take steps to ensure that any plan adopted with the intent of meeting New York's housing needs clearly accounts for and addresses the needs of our most vulnerable populations, including older adults.

The following testimony outlines our recommendations to achieve this goal by establishing an Affordable Independent Senior Housing Assistance Program; developing a dedicated source of funding for middle-income senior housing development; and exploring avenues to support high-quality, not-for-profit, and mission-driven housing providers as they work to expand their offerings for low-income and vulnerable New Yorkers.

### **Fund Resident Assistance for Low-Income Independent Seniors (A.4716/S.2080)**

LeadingAge New York, along with a coalition of senior housing providers, associations, and affordable housing advocates, is calling for the commitment of \$25 million over five years to fund the creation and operation of an Affordable Independent Senior Housing Assistance Program ("Resident Assistant Program") that would connect low-income, aging residents living in affordable senior housing properties across the state with community resources that foster healthy, independent living and help keep older adults out of more costly levels of care.

A total of \$425 million in capital has been committed to developing affordable housing for low-income seniors in recent five-year spending plans for DHCR, but without complementary operational funds, the resulting properties have little or no avenue to maintain a Resident Assistant staff person. Further, an estimated 460 federally funded properties and many other publicly assisted properties do not currently

have access to funding that would allow them to better meet the needs of the thousands of low-income older adults they serve.

The Resident Assistant Program would provide grants to at least 29 affordable senior housing buildings to support the wage, training, and budget for an on-site employee to serve that building's residents. The Resident Assistants hired through the program would be available on-site and at resident request in affordable independent senior housing properties, serving as a resource to the people who live there as they navigate their changing needs over time. Resident Assistants provide information and referrals to local home and community-based services, education and assistance accessing Medicaid and other public benefits, and preventative programming. They may help residents with obtaining transportation, with the use of technology to support telehealth visits and social engagement, or with coordinating on-site social and wellness programs to strengthen healthy living habits.

The older New Yorkers living in these apartments are generally income-eligible for Medicaid, but often struggle to navigate the network of health and social supports that could help them age safely in place. By addressing the social determinants of health for this vulnerable population, the Resident Assistant Program would help low-income older adults stay healthy in their homes and delay or prevent the need for higher-cost health and long-term care services.

In addition to promoting housing stability and general wellness for low-income seniors, rigorous studies have proven that this model of resident assistance results in reductions to Medicare and Medicaid spending. The Selfhelp Active Services for Aging Model (SHASAM), which inspired this Resident Assistant proposal, offers social work services to support the health and wellness of low-income residents aging in their own home. A New York-based study of the SHASAM program featured in *Health Affairs* found that the average Medicaid payment per person, per hospitalization was \$3,937 less for Selfhelp residents as compared to older adults living in the same Queens ZIP codes without services. According to the study, Selfhelp residents were also 68 percent less likely to be hospitalized overall.<sup>1</sup> Furthermore, with the SHASAM resident assistance program in place, [less than 2 percent](#) of Selfhelp's residents are transferred to a nursing home in any given year.<sup>2</sup>

Additionally, in 2016, the Center for Outcomes, Research & Education issued a report on a study conducted in Oregon that showed a decline in Medicaid costs of 16 percent one year after seniors moved into affordable housing with a Resident Assistant. Their analysis included 1,625 individuals, 431 of whom lived in properties that serve older adults and individuals with disabilities. The statistic of 16 percent savings in Medicaid costs breaks down to a savings of \$84 per month for each individual in this subset, or \$434,000 over a 12-month period for the relatively low number of 431 individuals.<sup>3</sup>

Based on LeadingAge New York analysis of this data and the SHASAM program, a \$25 million investment of State funds over five years would support Resident Assistants in at least 29, 100-unit affordable senior housing buildings, serving approximately 2,900 low-income older adults and **resulting in a net savings of \$6.6 million in Medicaid dollars to the State annually**. And, because this program would be

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<sup>1</sup> Gusmano, MK. Medicare Beneficiaries Living in Housing With Supportive Services Experienced Lower Hospital Use Than Others. *Health Affairs*. Oct. 2018.

<sup>2</sup> The New York Housing Conference. Spotlight: A Conversation with Mohini Mishra, Selfhelp Realty Group. July, 2021.

<sup>3</sup> Li, G., Vartanian, K., Weller, M., & Wright, B. Health in Housing: Exploring the Intersection between Housing and Health Care. Portland, OR: *Center for Outcomes, Research & Education*. 2016.

designed to pair these resources with existing affordable housing properties, **State funding to support its creation would result in immediate, real-time return on investment and better outcomes for low-income older New Yorkers.**

Over recent years, New York has invested heavily in the supportive housing model, which is an effective method of achieving similar outcomes as the proposed Resident Assistant initiative, but for different populations. Although our state's number of low-income older adults is rapidly growing and these individuals will ultimately rely on Medicaid for some level of assistance or care, many of these individuals will not qualify for supportive housing programs. In order to qualify for supportive housing, older adults must typically meet additional criteria, such as being homeless, at risk of homelessness, unstably housed, or unnecessarily institutionalized. Conversely, the Resident Assistant initiative is intended to address the needs of older adults who are housed in subsidized and income-restricted housing by virtue of their age and income alone, and to do so *before* homelessness or entry into a higher level of long-term care become inevitable.

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In the wake of the COVID-19 pandemic's negative effects on the social, emotional, and physical well-being of New York's growing population of older adults, and given the workforce challenges plaguing higher-level health and long-term care settings, the State must invest in modest and innovative programs that support healthy aging **now** – before our independent seniors need more advanced care. For these reasons, LeadingAge New York and its advocacy partners strongly support the Resident Assistant Program's inclusion in the SFY 2023-24 Budget.

### **Invest in Middle-Market Senior Housing**

While LeadingAge New York appreciates the Executive's innovative proposals to combat the State's affordable housing shortage, we remain concerned about the State's readiness to meet the needs of middle-income seniors who are too wealthy to qualify for most affordable housing programs, but not wealthy enough to afford market-rate rentals.

It is projected that the population of middle-income seniors will continue to grow and that, by 2029, these individuals will account for 43 percent of the total senior population.<sup>4</sup> Furthermore, projections indicate that approximately 60 percent of middle-income seniors in 2029 will have mobility limitations, and one in five of these seniors is likely to have three or more chronic conditions and one or more limitations with the activities of daily living.<sup>5</sup>

Funds included in the recent five-year spending plans for DHCR to support the development of units affordable to middle-income households are generally committed to projects serving individuals and families. A dedicated source of funding for the development of middle-income rental housing with

<sup>4</sup> Pearson, Caroline F., Quinn, Charlene C., Loganathan, Sai, Rupa Datta, A., Burnham Mace, Beth, and Grawbowski, David C. (2019). *The Forgotten Middle: Many Middle-Income Seniors Will Have Insufficient Resources for Housing and Health Care*. Health Affairs 38, No. 5: 851-859.

<sup>5</sup> *Id.* at 857.

appropriate, age-friendly design and access to aging services is necessary to avoid compounding a crisis for our middle-income senior population.

### **Explore Avenues to Support Not-for-Profit and Mission-Driven Senior Housing Providers**

As we contemplate the creation of a comprehensive plan to address not only the supply, but also the quality and sustainability of housing units across the state, another important consideration is the ability of small, local, not-for-profit, and mission-driven housing providers – particularly those serving vulnerable populations, such as older adults – to compete with private equity and out-of-state developers. LeadingAge New York urges the Legislature to explore avenues within and in addition to the Executive’s Compact proposals that will aid municipalities in identifying and encouraging high-quality, diverse development projects that can meet the needs of the community now and for generations to come.

In addition to statutory and regulatory prioritization of these projects, avenues of support may include the guarantee of regular capital commitments from the State to fund the continued development of affordable housing. We were troubled by the Executive’s failure to sign legislation in 2021 to codify the requirement for a spending plan for DHCR to be enacted every five years – which would include the development and preservation of affordable senior housing, among other initiatives. We encourage policymakers to revisit and reengage on this critical policy proposal immediately, as the number of low-income New Yorkers over age 65 is expected to continue to grow and affordable housing developers rely on long-term funding availability to keep projects in the pipeline.

Another avenue of support and opportunity to amplify the benefits of the State’s capital investments might be found in the provision of predevelopment funding and technical assistance for small and not-for-profit developers planning projects which would help meet a community’s affordable housing needs.

### **Conclusion**

The Executive Budget’s package of proposals to establish a “New York Housing Compact” signifies a strong commitment to meeting the State’s housing needs. However, an investment of \$25 million over five years in the SFY 2023-24 Budget to support Resident Assistants in affordable independent senior housing, in addition to the identification of a dedicated source of funding to support the development of rental housing that is accessible, appropriate, and affordable to middle-income seniors, are necessary to ensure that the resulting units truly meet the housing needs of all New Yorkers. Furthermore, LeadingAge New York urges the Legislature to ensure the quality and longevity of the State’s housing stock by exploring avenues to support development by small, local, not-for-profit, and mission-driven housing providers – particularly those serving vulnerable populations, such as older adults.

*Founded in 1961, LeadingAge New York is the only statewide organization representing the entire continuum of not-for-profit, mission-driven, and public continuing care, including home and community-based services, adult day health care, nursing homes, senior housing, continuing care retirement communities, adult care facilities, assisted living programs, and Managed Long Term Care plans. LeadingAge New York’s 400-plus members serve an estimated 500,000 New Yorkers of all ages annually.*