S. HRG. 109–670

# MEETING THE HOUSING AND SERVICE NEEDS OF SENIORS

## HEARING

BEFORE THE

## COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

ON

EXAMINATION OF S. 705, TO ESTABLISH THE INTERAGENCY COUNCIL ON MEETING THE HOUSING AND SERVICE NEEDS OF SENIORS

JUNE 16, 2005

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# MEETING THE HOUSING AND SERVICE NEEDS OF SENIORS

**THURSDAY, JUNE 16, 2005**

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
*Washington, DC.*

The Committee met at 10:07 a.m., in room SD–538, Dirksen Senate Office Building, Senator Richard C. Shelby (Chairman of the Committee) presiding.

## OPENING STATEMENT OF CHAIRMAN RICHARD C. SHELBY

Chairman SHELBY. The hearing will come to order.

This morning, the Committee meets to hold a hearing examining the coordination of the housing and service needs of our Nation's seniors. While there are a variety of Federal housing programs either targeted to seniors, or containing special features for the elderly, few of these programs are linked with other services, such as health care or transportation, that are vital to the well-being of the elderly. It is all too often left up to the elderly themselves to make the connection across the various Federal, State, and local programs designed to assist them.

My colleague, Senator Sarbanes, has introduced legislation, S. 705, to address this very issue. Today, over 80 percent of elderly families own their own homes. Almost three-fourths of homeowners own their home free and clear of any mortgage. Many seniors have a strong desire to age in place, and I believe greater coordination of the programs can facilitate their ability to do so.

In addition, many seniors are heavily dependent upon public transportation in order to perform essential activities, such as going to the supermarket or making a doctor's appointment. However, over a third of elderly households report having no access to public transportation. This lack of access is particularly acute in many rural and suburban areas.

I want to note that the public transportation title of the transportation bill which is pending now in the Senate as reported out of this Committee and passed by overwhelming support by the Senate, included significant increases, Mr. Secretary, in Elderly and Disabled Program administered by the Federal Transit Administration.

Once again, I want to commend my colleague, Senator Sarbanes for his leadership on this issue. I also want to recognize Senator Santorum's interest in this issue. We are also fortunate to have a very distinguished group of witnesses this morning.

Our first witness this morning will be someone who is no stranger here; the Secretary of Housing and Urban Development, Secretary Alphonso Jackson. The Committee, Mr. Secretary, greatly appreciates your willingness to appear this morning and your attention to this very important issue.

Our second panel will consist of Ms. Nelda Barnett, Board Member, AARP, and former Director of the Maplebrook Village Christian Homes of Kentucky, where she continues to serve on as a Board Member; Ms. Dana Jo Olson, Executive Director, Laurel Manor Senior Residence, appearing today on behalf of the Volunteers of America; Mr. Steve Proctor, President, Presbyterian Homes, and appearing on behalf of the Pennsylvania Non Profit Housing Association; Dr. William T. Smith, President of the American Association of Homes and Services for the Aging; Ms. Terry Allton, Vice President of Support Services, National Church Residences; Mr. Steve Protulis, Executive Director, Elderly Housing Development and Operations Corporation; and Mr. David G. Wood, Director for Financial Markets and Community Investment, GAO.

I want to thank all of you for appearing here today, and we all look forward to your testimony and having a dialogue with you.

Senator Sarbanes.

## STATEMENT OF SENATOR PAUL S. SARBANES

Senator SARBANES. Thank you very much, Chairman Shelby. I want to express my appreciation to you for holding this hearing on S. 705, Meeting the Housing and Service Needs of Seniors Act. I also want to recognize a group of seniors who have come to the hearing from Marlow Heights, Maryland. We are pleased to have them with us this morning. I want to thank all the witnesses for the work they do every day to better the lives of American seniors, and we look forward to hearing from them. Unfortunately, much more needs to be done to ensure that our elderly population has easy access to the housing and service needs they require, particularly to allow them to age in place, which is an important focus of this legislation.

The elderly population of this country is rapidly growing, far outpacing the growth of any other age group. In 2000, the population over 65 years of age was close to 35 million. The number is expected to grow to over 50 million by 2020, and by the year 2030, nearly one-fifth of the U.S. population will be above the age of 65. We obviously need to start preparing to meet the needs of this growing population so that seniors and their families have real choices about where and how to age. And that is exactly what the legislation we are considering this morning will do. This legislation is designed to address the fragmented government bureaucracy of programs for the elderly so that seniors and their families can more easily access needed support and remain in their homes.

We cannot put this off any longer. Each of us in the room will be affected in one way or another. Every segment of our society is affected. It is not just a problem of affordability, although there is certainly an affordability problem. But the problem is lack of availability and access that is increasingly experienced by large segments of our elderly population.

Every survey has shown that seniors overwhelmingly want to remain in their homes. They want to age in place, as they put it, or age in noninstitutional settings. But in order to do this, we have to better connect services to where seniors live. Over 18 percent of senior citizens who do not reside in nursing homes have difficulty performing their daily activities without assistance. Over 1 million of these seniors are severely impaired, requiring assistance with many basic tasks. Many others, those who can perform their daily functions, still require access to health care, transportation, and other services. And the Congressionally established Seniors Commission found in its 2000 report, "the most striking characteristic of seniors' housing and health care in this country is the disconnection of one field from another."

A recent AARP report also found this disconnect. According to that report, "today's subsidized rental housing is a patchwork of disparate programs, which creates problems in coordinating housing policy for diverse needs. For instance, many properties that serve older persons are experiencing a growing need for supportive services as the residents' age, but delivery of these services vary from program to program."

While there are numerous Federal programs that assist seniors and their families in meeting these needs, they are fragmented across many government agencies with little or no coordination. We have a diagram that illustrates this fragmentation. If this chart looks confusing, that is because it is. That is exactly the state of play. Housing and services are provided through different and often unconnected programs, many with their own requirements and eligibilities.

This fragmentation has real consequences. The disconnect of housing from services places an enormous burden on seniors and their families in making decisions about long-term care. Families must not only worry about the affordability of housing, but they must also piece together health care, transportation, physical assistance, and other services. Without enhanced housing opportunities, seniors find it increasingly difficult to remain outside of nursing homes or other institutional settings. In fact, the Seniors Commission, the Congressionally mandated study that I mentioned earlier, found that, "many seniors across the income spectrum are at a risk of institutionalization or neglect due to declining health and the loss or absence of support and timely interventions."

Now, for some of the elderly, nursing homes are a necessity. They are the appropriate choice. But for many others, options such as assisted living, service-enriched housing, retrofitting a home, linking services to a current home are the best way for seniors to age, as well as the most cost-effective. Seniors and their families should not find it easier to enter a nursing home than to remain at home with necessary supports. When faced with difficult decisions about long-term care, seniors and their families should not have to navigate a confusing maze of programs and services, and work through multiple bureaucracies. We must streamline these choices. I think an Interagency Council on Meeting the Housing and Service Needs of Seniors will help to make options more widely available.

The Council will be a high level executive office, which the Federal Government can work to consolidate and streamline the various programs that exist to help our elderly. It will be composed of the Secretaries or designees of the agencies which operate these various programs: HUD, HHS, DOT, Agriculture, Treasury, Labor, Veterans Affairs, as well as the Commissioner of the Social Security Administration, the Administrator of the Centers for Medicare and Medicaid Services, and the Administrator of the Administration on Aging. It will review all Federal programs designed to assist seniors, identify gaps in services, recommend on how to reduce duplication, identify best practices, and work to improve the availability of housing linked with services. The Council will be charged with monitoring, evaluating, and recommending improvements in existing programs and services to make sure that the Federal Government in concert with States, localities, and private sector partners, is doing all they can to help seniors age in place or find alternative, suitable living arrangements.

Mr. Chairman, I think this legislation could be an important first step. This is an effort to get a process working by which we can enhance the services, coordinate them, remove duplication, fill in the gaps, put some focus on what I think is a pressing problem now and will, obviously, increasingly become a pressing problem.I look forward to hearing from Secretary Jackson. We are pleased to have him back before the Committee and the panel to follow.

Mr. Chairman, I have a number of letters here from various organizations: The AARP, which, of course, we have had a lot of dealings with; the Elderly Housing Development Operations Corporation; the Elderly Housing Coalition, made up of a number of groups; the American Association of Homes and Services for the Aging; American Association of Service Coordinators; the National PACE Association; National Housing Conference; United Jewish Communities; the Housing Assistance Council; NARO, which, of course, has been before our Committee on a number of occasions; the Council of Large Public Housing Agencies; the National Affordable Housing Management Association; the Enterprise Foundation; and the National Leased Housing Association; and the National Low Income Housing Coalition, and I ask that all of these letters in support of this legislation be included in the record.

Chairman SHELBY. Without objection, it is so ordered

Chairman SHELBY. Senator Allard.

**STATEMENT OF SENATOR WAYNE ALLARD**

Senator ALLARD. I would like to thank you, Mr. Chairman, for holding this hearing. Nearly all of us have to address the needs of aging parents or aging grandparents or other family members, so we understand the challenges present to today's seniors, and I appreciate this opportunity to more closely examine one way to help meet those challenges.

I would also like to commend Senator Sarbanes for introducing S. 705, "Meeting the Housing and Service Needs of Seniors Act of 2005." He and I worked together previously on creation of the Congressionally chartered Seniors Commission, and this bill will help implement their recommendations to promote better coordination.

Quite simply, coordination makes sense. It makes sense for the Government, taxpayers, and it makes sense for the people served by the programs. Utilizing a similar model, we have seen improvements to the programs and services for homeless individuals under the Interagency Council on Homelessness. I am hopeful that we can find similar benefits under the Seniors Commission. As the baby boomers age, it is increasingly important that we ensure that they have the information necessary to make the most appropriate decisions regarding housing, services, and other needs.

I firmly believe that seniors want to live in their own homes. I think that our challenge is to do whatever we can to help facilitate their desire to live in their homes. That means making home care services more available; it means making it possible for them to stay in their homes. I think in this age of high technology that we certainly have an opportunity, perhaps, to even extend long range type medical services into the home. You connect it in for an EKG on the chest, for example, or they can plug in periodically to perhaps have an evaluation. And I think there are other opportunities to get a high tech solution into homes that will facilitate those senior and elderly parents and grandparents and other family members to stay in that home with a minimum of support from family members.

At one time, family members were always present, but now, they are not. They are spread all over the United States, and it is not always convenient for that level of care to happen. So, I think that Senator Sarbanes is addressing a real issue that we have here in our society, and I commend him for that. And in particular, I support S. 705 to identify and help eliminate inefficiency and duplication. This will ensure that all taxpayer dollars invested in housing and services for seniors are maximized.

I would like to also welcome today's witnesses to the hearing. Your perspectives will be important as we consider this bill, and you bring first hand knowledge of the importance of giving seniors the option to age in place. I would like to extend a special welcome to Dana Olson, who is testifying on behalf of Volunteers of America. Dana is from Colorado Springs and does excellent work at the Laurel Manor Senior Residence to assist seniors. Dana, I am glad that you are here.

I also look forward to your testimony, Mr. Secretary, and I know that you bring a special perspective also. And I look forward to working st Senator Shelby, Senator Sarbanes, and Senator Santorum. Now, we have a run of Ses there, do we not?

Chairman SHELBY. We do.

[Laughter.]

Senator ALLARD. To move this bill forward to help meet the housing and service needs of our Nation's seniors.

Thank you, Mr. Chairman.

Chairman SHELBY. Thank you.

Senator Santorum.

**STATEMENT OF SENATOR RICK SANTORUM**

Senator SANTORUM. Thank you, Mr. Chairman, and thank you very much for holding this hearing, and I appreciate the work that you have done; Senator Allard, I appreciate the work that you have

done; and in particular, I appreciate the work, obviously, of Senator Sarbanes, who introduced Senate Bill 705, and I am honored to be a cosponsor of that legislation. And I do not want to reiterate what everyone said. Everyone has covered the legislation and certainly the reasons for it, and I share with everybody the importance of this issue.

We have a very large senior population in Pennsylvania. The average in the country is about 12 percent of our population is seniors. We have a third more. We have a 16 percent population of seniors in Pennsylvania. We are second to the State represented by the gentleman on my left in the percentage of seniors in our population, but I believe his number is going down, and our number is going up.

It is a big concern for us in Pennsylvania, and we can continue to build senior housing facilities and all sorts of other things to do really what this legislation and this hearing is intended to do, which is instead of building new facilities, to try to integrate these services to try to provide them at home so people can age in place, as Senator Sarbanes said.

And that, to me, is the ideal. That is the one that I think most seniors would like to have happen. I know it is one that my people are going through at this time, and my in-laws are going through at this time in their lives. So it is very personal, and it is very important to the people in my State, and I appreciate the attention that the Committee is directing at it, and I look forward to working together on a bipartisan basis to make some progress in this area.

Thank you very much, Mr. Chairman.

Chairman SHELBY. Thank you.

Senator SANTORUM. And I apologize; I have to leave. We have a markup in the Finance Committee on the energy tax title, so if you will excuse me——

Chairman SHELBY. That is important, too.

Senator SANTORUM. Thank you, Mr. Chairman.

Chairman SHELBY. Senator Martinez. You know, it is not often that we get the former Secretary of HUD together with the current Secretary of HUD.

[Laughter.]

Chairman SHELBY. Senator Martinez.

**STATEMENT OF SENATOR MEL MARTINEZ**

Senator MARTINEZ. Thank you, Mr. Chairman.

I am very proud to be here today for this hearing and with my colleague and former partner at HUD. But Senator Shelby and Senator Sarbanes, I appreciate your holding this hearing on this important subject, and Senator Sarbanes, I commend you for taking the initiative to identify the growing needs of our elderly population, and I am very supportive of Senate Bill 705, which would create an interagency council to oversee the housing and service needs of the seniors.

But I am also pleased to welcome here today my good friend Secretary Jackson. I also want to make a special note: Today is the first time that I have had occasion to see our new Assistant Secretary for Housing and Housing Commissioner, Brian Montgomery, a good friend and a wonderful person who I know is going to do

a great job in this very important position, and Mr. Secretary, first time I can call you that; wish you all the best, and I hope you will call if I can be of any help to you in your new responsibilities.

But I have an additional special pleasure today, Mr. Chairman, which is also to introduce one of today's witnesses to the Committee. It is Mr. Steve Protulis. He is here from Fort Lauderdale, testifying on behalf of the Elderly Housing Development and Operations Corporation, where he serves as the Executive Director and Executive Vice President.

His agency is considered the premier provider of quality, affordable housing for seniors in the United States. It manages 42 properties in 14 States, offering affordable living options for low-income seniors. Mr. Protulis was formerly the Assistant to the President of the AFL–CIO and Executive Director of the National Council of Senior Citizens, one of the Nation's strongest voices for older Americans and families. He also served on the U.S. Commission on Affordable Housing and Health Facility Needs for Seniors in the Twenty-First Century, a committee appointed by the U.S. Congress.

The Elderly Housing Development and Operations Corporation is dedicated to promoting quality, affordable housing for seniors. It is committed to the principle of aging in place, ensuring opportunities for elderly citizens to live independently with dignity and self-determination with their peers. The State of Florida is home to more than 2.8 million residents over the age of 65, and while my distinguished colleague from Pennsylvania was right in terms of percentage of population the fact is that it is a growing population.

Over the next two decades, more than 3.6 million Floridians will reach retirement age. According to the 2000 Census, 51.2 percent of Floridians over the age of 65 are considered low income, and 43.8 percent are considered very low income. As health care and housing costs continue to rise, and in Florida, housing costs rise dramatically each and every day, Florida residents will grow increasingly dependent upon the types of services Mr. Protulis and others like him are providing.

In Miami-Dade County alone, the Elderly Housing Development and Operations Corporation manages five low-income housing projects, which currently serve 750 residents with more than 1,300 eligible residents on waiting lists. In addition to offering basic health services such as blood pressure screening, and dental hygiene, the corporation contributes to the overall wellness through its prescription monitoring programs and educational classes on nutrition, exercise, and computer training.

I thank Mr. Protulis for being here today and look forward to his testimony. But I want, in further evidence of Senator Sarbanes' proposal and the things that he has been speaking of; you are talking about 1,300 eligible residents of Florida on the waiting list just for these facilities in Dade County alone. That just goes to show, Mr. Chairman, what a tremendous need there is in this area for more avenues of coordination and more opportunities for seniors to be provided decent, safe, and affordable housing.

Thank you, Mr. Chairman, and I look forward to the testimony.

Chairman SHELBY. Thank you, Senator Martinez.

Secretary Jackson, your written statement will be made part of the hearing record in its entirety. You proceed as you wish. Welcome again.

**STATEMENT OF ALPHONSO JACKSON, SECRETARY U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

Secretary JACKSON. Thank you very much, Chairman Shelby, Ranking Member Sarbanes and distinguished Members of this Committee. Thank you for inviting the Department to testify on the Meeting the Housing and Service Needs Act of 2005. I commend Senator Sarbanes for bringing this matter to the attention of the Committee. Mr. Chairman, in order to reserve as much time as possible for questions, I will ask that I be allowed to summarize the statement.

This Administration is strongly committed to meeting the needs of America's senior citizens. That commitment will be very publicly displayed this afternoon when President Bush visits the Department of Health and Human Services to roll out the Nation's Medicare prescription drug benefit for seniors.

The senior population, those aged 65 and over, continues to grow. In the last decade, the elderly population has increased by 10 percent, and this trend is certain to accelerate. Over the next 5 years, the children of the World War II generation will turn 65, followed by the baby boom generations, which I am a member of. Within that horizon, we have every reason to believe that the number of seniors will double by 2030. By then, the Census Bureau estimates that 20 percent of Americans will be older than the retirement age.

As the senior population grows, so do challenges we face in meeting seniors' housing needs. First, we must find ways to maximize housing resources in order to serve a growing number of seniors. Second, we must provide for very low-income seniors while allowing for aging in place. Third, we must improve the data collection methods and improve dissemination of that information to the end user. Fourth, we must better coordinate all Federal levels, working agencies to provide the seniors the best service. And fifth, we must create a better linkage between needed assessments, evaluation, and research.

Clearly, this Nation will need to address the senior housing issues from a different perspective than we have in the past. As the Committee knows, HUD has a long history of providing housing, delivering related services to the Nation's low and very low-income elderly. Specifically, Section 202 programs provide important resources to address the housing needs of the elderly. More than 375,000 units have been funded since the inception of the 202 program, which was established in 1959. More than 6,000 new units have been funded under the Section 202 program annually.

These housing programs are sponsored by nonprofit organizations. Many of them are faith-based. These organizations have a history of serving the elderly and are committed to meeting the needs of a very vulnerable population in our society. The Administration is dedicated to the ongoing viability of the Section 202 program. We are committed to working with Congress, with nonprofit organizations that sponsor these important projects, and with the elderly persons who are eligible to reside within them.

HUD's commitment to the Section 202 program goes beyond building housing for the elderly. We also want to ensure that the seniors have the services they need in order to live comfortably. Seniors tell us they want to live independently as long as possible. The Administration has recognized the importance of addressing both the housing and servicing needs of the elderly and has made these issues a top priority.

The Department agrees with the Committee that seniors require a wide array of housing options with access to services, including meals, transportation, health care, and other assistance. We also agree that there are numerous Federal programs that assist seniors and their families in meeting these needs. Many government agencies exist at the State and local level, but we need coordination. The Department has made an effort to coordinate to the greatest extent possible with other agencies in its program, but there can always be improvement in communications, coordination to ensure that seniors have access to decent, safe, and sanitary housing and can obtain the necessary supportive services.

As I understand it, the legislation before this Committee proposes an interagency council to promote a more cost-effective Federal response to meeting the needs of housing for the seniors. If we are able to inspire an effective cooperation among the Federal agencies that address housing needs of seniors, the effort will yield long-term savings that could pay for home-based amenities.

We believe the legislation before you today is a good idea. The concept creates the Interagency Coordinating Council for the Federal Government. This is very important for the uniqueness of the operation. There are some technical aspects that the Administration would like to work with Congress to address. In closing, let me say that the Administration and the Department are committed to working with Congress and the industry partners to address the growing needs of affordable elderly housing and the necessary supported services. This proposed legislation will provide the opportunity for us to work with government agencies and stakeholders and coordinate more effectively a basis for requiring us to address these needs.

And in closing, which is not part of my testimony, I would just like to say that again, I would like to commend Senator Sarbanes and this Committee. I was in a very unique position in the sense that I had a very great debate with my brothers and sisters, as Senator Martinez knows, about my mother, and I made the decision that my mother would not go into a home. It was very difficult financially for me, but my mother lived in her home until her death, because I thought it was important for her to have that comfort, and so, I am very much committed to working with you on this specific issue.

Chairman SHELBY. Thank you, Mr. Secretary.

You have had a lot of experiences, Mr. Secretary, dealing with various agencies here, and it is difficult at times to get different agencies to work toward the same objective, even when they share the same goal.

Secretary JACKSON. Right.

Chairman SHELBY. One attempt at this in which you have been involved is the Interagency Council on Homelessness. Could you

share briefly with the Committee how well you believe that council has worked and whether that experience for you can offer us any lessons in designing S. 705?

Secretary JACKSON. Yes, Mr. Chairman. I will say this: As you know, Senator Martinez at that time was Secretary Martinez, who was the first chair, and I worked with him closely. I think that President Bush has insisted and continues to insist that the agencies work together. What has occurred before President Bush is that we had very simple domains where people did not want to interact with one another. The Interagency Council on Homelessness has made great strides, because we have talked with each other. We have come together to make sure that the needs of the homeless are addressed from a holistic perspective, not from a piecemeal perspective.

I think the same thing can occur here with this legislation, because it forces us to talk and address the needs of the seniors not again in a piecemeal fashion.

Chairman SHELBY. Sure.

Secretary JACKSON. But in a very whole fashion.

Chairman SHELBY. Mr. Secretary, under the terms of S. 705, the Council would be chaired on an alternating annual basis between the HUD Secretary, in your case now, you, and the HHS Secretary. Do you believe that one year is enough time for a chairman to be effective, or should we consider expanding this to a longer term? And in addition, should we be limiting the chairman to just the HUD and HHS Secretaries? I realize they are high profile cabinet members.

Secretary JACKSON. Sure.

Chairman SHELBY. Or should other Council members also be eligible to serve as the chair? I do not know. I can see the point of both Secretaries, because you are the Secretaries.

Secretary JACKSON. Right.

Chairman SHELBY. You are Cabinet members, and that lends a lot of not only power but also prestige to what you are doing.

Secretary JACKSON. I would say, Mr. Chairman, I do not disagree with the chairmanship rotating between Housing and Human Services, because I think we have a direct effect on the lives of many seniors in this country.

Chairman SHELBY. You do.

Secretary JACKSON. There are some ancillary effects that the others have. So if we are going to try to do the very best we can to give the best service, I think those who are directly related on a day-to-day basis will be the best persons to chair.

Second, I believe, having served on a number of boards, a number of university boards, that a two-year rotation is usually the best, because you are able at that point in time to get many of the programs started. And then, there is a continuity of about 6 months between you and the next chairman to discuss and make sure.

Chairman SHELBY. But you are still on the board, even though you rotate, right?

Secretary JACKSON. Yes, yes, you are still on the board, but I think that a one year service is fine, but I just think you have better coordination and continuity if you have a 2 year period.

Chairman SHELBY. Senator Sarbanes.

Senator SARBANES. Thank you very much, Mr. Chairman.

First of all, Secretary Jackson, could we assume that if this legislation becomes law, this allows for the Secretary or a designee of the Secretary, and I am interested in how much you would expect to be personally involved yourself in providing leadership to the council as opposed to turning the responsibilities over to a designee. Now, I know you are a busy man. The Secretary has a range of responsibilities. On the other hand, I do think to get this moving, certainly, and to get it up and going with the kind of authority behind it that I think it requires, we need the top people to take interest and not immediately turn it over to a designee, and I am just looking for some assurances out of you, at least, with respect to that issue.

Secretary JACKSON. Not only will I assure you, but I will also promise you that I will give this my utmost attention. I am extremely fond of seniors. I have always made sure that seniors live well. I am committed, and I have to tell you in many ways it did not come to my mind, but I am elated by this legislation, because I think it is going to do a very important job for seniors in this country, where we have not done it before.

Senator SARBANES. We have been in the process of converting some of the 202 senior housing into assisted living type facilities. I know HUD has taken an interest in doing that. I wonder how much cooperation you are getting from other Departments and Agencies in achieving that and particularly from HHS, which, of course, as you just pointed out, is the other Department that has a range of programs that are highly relevant to what we are concerned about here.

Secretary JACKSON. We have had good coordination, but I think with this legislation, if it passes, it will force us to have much better coordination than we have had before. But I cannot say that it has been a negative effect on us. It has been very, very supportive.

Senator SARBANES. One of the things the Council might do in the process of coordination is really develop a master strategy for coordination and implementation of these provisions, so there is actually a framework set up to accomplish this rather than it being done more on an ad hoc basis as we move along from month to month.

And that has been one of the things we are seeking to do. It would seem to me that the Interagency Council, we set up the Trade Promotion Coordination Committee, and out of that, they now develop a trade promotion coordinating strategy every year. They keep updating it. They bring all the agencies and departments together to try to have a concerted strategy, and it seems to me we need to do something similar with respect to the housing and service needs of seniors.

Secretary JACKSON. I think, Senator Sarbanes, that the more structured it is, the better it is, because I think we can then focus in on addressing the needs of seniors from a very whole perspective. I do not like that term holistic but from a very whole perspective. And as I said at the end of my speech, one of the problems that I faced with my mother was that her needs were many, and you were at one specific agency to another agency trying to get

those needs addressed. I think if we can structure it, the better off we are.

Senator SARBANES. Thank you very much, Mr. Secretary.

Thank you very much, Mr. Chairman.

Chairman SHELBY. Senator Allard.

Senator ALLARD. Yes, Mr. Secretary. You have to find a home for this commission. Are you comfortable having it in HUD? I would assume that you are.

Secretary JACKSON. Senator, Mr. Chairman, and Ranking Member, if you are comfortable, I am comfortable.

[Laughter.]

Senator ALLARD. Do you feel that you could adequately serve the needs of this commission in your agency?

Secretary JACKSON. Yes, I do, and if you choose to put it there, let me say this to you: I cannot reiterate again; Senator Martinez is here. I was very committed to my mother staying in her house, and I am very committed to elderly. And I will do whatever. As I just said to Senator Sarbanes, I will specifically take great pleasure in making sure this works if that is your desire.

Senator ALLARD. Now, I notice that we have a number of reports being called on from the various agencies. I am assuming with this commission, all these various agencies also submit reports for the Government Procedures and Results Act. Are we duplicating it? Does the Government Procedures and Results Act already have enough reporting there that all you have to do is make sure a copy of that gets to maybe a different set of people? Or do we need a whole different set of reports?

Secretary JACKSON. That is a difficult question to answer. I think we do an awful lot of reporting, and I think if we can streamline it, it is all for the best. But in the process of streamlining, I think there still must be accountability.

Senator ALLARD. Well, that is the reason I pulled up the Government Procedures and Results Act.

Secretary JACKSON. Right.

Senator ALLARD. Because the whole idea of that is to have accountability. You measure performance. You put out specific goals and objectives, and then, you do it in a measurable way.

Secretary JACKSON. Sure.

Senator ALLARD. And so that whoever is overseeing these programs, including the Congress, gets a feel of whether they are meeting certain parameters and what not.

Secretary JACKSON. I think that is very important, and let me say this: That is what President Bush has done with the President's Management Agenda. There has been a number of hue and cries about us having to report and live up to it, but I think it has been the catalyst to make us more effective in managing. And that is why I said if we can streamline the accountability, yes, I think it is important to have it. Otherwise, there is no measurement tool.

Senator ALLARD. I want to also just bring up this issue of how do you plan on cooperating with State and local agencies? There are a lot of them involved, and I think a lot of States have taken a different perspective here, and is there a way that we can facilitate the State and local involvement and not get too meddlesome?

Maybe you could comment on that and how we could evaluate in a way or put together a program that takes those concerns.

Secretary JACKSON. Since this is such a universal problem that we are all going to face, and there is no question that we will all face it quicker than we think, I think the more persuasion of all members of this interagency committee, whether it be HUD, whether it be Health and Human Services, Labor, will use our moral persuasion to discuss this issue with governors, with county administrators, with mayors to show them how important it is that we address this need from a whole perspective. And from my interaction with both governors, county administrators, mayors, it has not been a very difficult process to get them to understand vital issues that are necessary to be addressed in their respective jurisdictions.

Senator ALLARD. Thank you, Mr. Chairman.

Chairman SHELBY. Senator Stabenow.

**STATEMENT OF SENATOR DEBBIE STABENOW**

Senator STABENOW. Thank you, Mr. Chairman, and first, I would ask that my opening statement included in the record.

Chairman SHELBY. Without objection, it is so ordered.

Thank you for calling this hearing, and thank you to Senator Sarbanes for your leadership on this very important issue, and Secretary Jackson, it is nice to see you again. Welcome.

Secretary JACKSON. Thank you so much.

Senator STABENOW. I do have a specific question, but I did want to make a couple of comments first. And that is that I think we all come together in support of certainly seniors, our parents, older adults, but there are a lot of big things in front of us right now that will determine whether or not we put those words into actions. I am a believer that it is about action, and just a more general statement for my colleagues, I mean, we look at the fact that over 60 percent of older Americans rely primarily on Social Security to live, the debate about privatizing part of Social Security is a big deal; it is a big part of this, and I am greatly concerned about that; Medicare and what we are doing there has a huge impact.

This Congress just passed a $10 billion cut in Medicaid, which is my State, the majority of those are low-income seniors in nursing homes. What is a $10 billion cut going to mean for them? We are hearing States debate optional services, and when we go down the list of optional services for low-income health care, it is things like being able to see—eyeglasses—being able to hear—hearing aids—being able to chew your food—dentures. Certainly, I do not consider that optional for me, in my family, and so I just raise that. That is certainly beyond what we are talking about today, but it is a lot of very serious things affecting older adults today and decisions that are being made, including things like home health care and whether or not we are going to see a long scheduled cut actually happen in home health care.

I just want to bring to your attention, this is not something directly for you, but there are some simple things we can do as well for older adults: The Commodities Supplemental Food Program right now does not allow seniors to deduct their medicine in order to qualify for supplemental food payments. Some of us have been

trying to change that for some time, and it seems to me that we could come together and help change that so that medicine does not count when meeting low-income standards, because for low income seniors in the commodities programs, they are literally choosing between food and medicine right now. So there are a number of things we can do.

But on to my question: You and I had an opportunity to speak before you were confirmed, and I supported your confirmation, about the growing number of grandparents that are raising their grandchildren, and in fact, we were successful, and I appreciate the support of Members of the Committee and the Senate, we were successful in the American Dream Act of 2003 in adding a provision to create demonstration projects, from two to four demonstration projects in Section 202 housing for grandparents raising grandchildren, to be able to allow both accommodations in terms of play equipment and other things, to be able to look at the impact in Section 202 housing.

And there were two other provisions. One was a HUD Census study to be done as it relates to Section 202 housing, and the other was that this instructed how to train employees in the rights of grandparents raising grandchildren. I would like to know the status on that provision.

Secretary JACKSON. I cannot tell you details today, but I will get back to you specifically with the details. I know that we have set it up, but I have to be very honest with you: I am not prepared to tell you the end results today, but I would be happy to get it to you immediately.

Senator STABENOW. I would appreciate that. This is a provision supported by the House, Senate, and the White House. It is in law. We have a lot of older adults now taking on the responsibilities, again, of being parents, and we want to make sure that they are not inadvertently discriminated against in their housing needs. And I think it is very important that we move forward in implementing those provisions.

Secretary JACKSON. I know we have started. I just want to give you the best details now, and I cannot do that right now, but I will get it to you immediately.

Senator STABENOW. Thank you.

Thank you, Mr. Chairman.

Chairman SHELBY. Thank you. Senator Martinez.

Senator MARTINEZ. Thank you, Mr. Chairman.

Secretary Jackson, a couple of questions on this issue. I know that the Interagency Council on Homelessness really, when we revitalized it, worked I think extremely well, and I hope it continues to be a help to the homeless population like we hope this will be to the elderly population. I wondered if one of the things that had occurred is it had just fallen off and even though still statutorily authorized, it was not happening. And we took up the mantle and have revitalized it, and it is off and going again. I guess what I would want to make sure, Mr. Chairman, in the course of this legislation is we do not let that happen. If we put it in the books, we want it to be something that has to be accountable enough to where it continues to happen.

I also believe that Senator Sarbanes asked a very pertinent question, which is about your participation. I am delighted with your commitment. I know it will be there, but I also believe, Mr. Chairman, one of the essential keys to the success of the Interagency Task Force on Homelessness was not only was I participating and vitally interested but that it also made the commitment of the Secretary of HHS at the time to also be involved. Secretary Thompson and I worked together, and the fact that we would both show up at meetings, and we both delivered on the agenda that was set for the meetings made it happen.

I am concerned about the designee portion of this, and I know that I, of all people, should understand how busy Cabinet secretaries are, and I know that for many of these secretaries, it is going to be impossible for them to attend: The Secretary of Treasury, for instance, a designee would be fine. But I think as to the Secretaries of HHS and HUD, particularly if they are going to be chairing the commission, that their commitment and their personal involvement is going to be vital to the success of it. And I would want to find some vehicle by which we could ensure that that took place.

Do you not think, Mr. Secretary, that that part of the commitment has to be there, at least in those two key departments, to make sure that it works? Because if it gets designated down the road, sometimes, the bureaucracy does not get the message if the designee is too far down the road.

Secretary JACKSON. I agree with you, Senator, I agree. And that is why when Senator Sarbanes asked me if I would personally commit as long as I am Secretary to being involved, I said yes. Because this, to me, is a very critical issue that we are going to face.

Senator MARTINEZ. And I think also a two-year chairmanship would probably add to that same continuity of getting it done. But one other thing that was very successful in the Homelessness Task Force was the fact that we had a local tie-in as part of our strategy; in other words, the Interagency Council came together, but then, the work of the Interagency Council with our strategy then being picked up by mayors throughout the country really has given it life.

It is not only what we are doing here in Washington but also what is happening in Dallas, Orlando, Miami, wherever it may be around the country. And I believe that part of the charge should be that we somehow develop a strategy of how local governments can also participate in an interagency or intercouncil task force to make sure that the work that is being done here federally has a counterpart at the local level, where the rubber meets the road, really.

Secretary JACKSON. Right.

Senator MARTINEZ. And so, I would think that maybe not formally in the statute but certainly as part of the charge that some local tie to the deliverers of local services in local government, that they be also, through our grant programs or however, that they might also be encouraged and directed to cooperate, because the same divisions and the same fragmentation that happens here also happens at the local level.

Secretary JACKSON. I think two things, Senator. First of all, I think that if it is passed, the first thing we must do is meet frequently for the first 2 to 3 years to establish the importance of the

Commission and what its objectives and goals are. Second, I think within those first 2 or 3 years, from my perspective, it would be well to go out two to three times a year into the respective States or communities to let them have a voice in the say of this Commission and how they think it affects their States.

I felt, when I was Deputy Secretary under Secretary Martinez, that having the executive management meetings in the field within our 10 regional offices was one of the most effective things that occurred, because he and I learned an awful lot about HUD that most secretaries never knew. Because once we were there in the field, they gave us great advice of how they felt we were not running very well, and we were able to benefit from that.

I think the same thing could be said for how we address the needs of seniors. Because the needs of seniors in Florida are quite different from the needs of the seniors in Alabama, because we know that a number of the seniors in Florida have worked most of their lives, and they do not need Social Security as well as some of the seniors in Florida or in Texas. So if we listen to the States, I think we will be better equipped to address the issues.

Senator MARTINEZ. One last issue, Mr. Secretary, is the issue of reverse mortgages, and I know you probably would not be prepared to answer that for me today. But the question I have, and perhaps our newly minted and capable Housing Commissioner can help us with this. The issue of reverse mortgages is a vehicle by which seniors can obtain equity out of their homes to allow them to defray other expenses, whether it might be property taxes, whether it might be just living expenses, home improvements, whatever.

I know there is a desire to see the FHA current cap be removed so that there is no ceiling on the number of reverse mortgages that can take place. I am also very interested in the fact that it has a requirement for financial counseling prior to any of these mortgages taking place.

Secretary JACKSON. That is right.

Senator MARTINEZ. I would just like to know from FHA what the experience has been. What has been the track record in terms of the impact on elderly homeowners who engage in this practice and I know that there are many good stories of how to solve problems for them; the infusion of equity cash can be a tremendous opportunity to get this equity that is latent there but get this capital to use in their later years.

Secretary JACKSON. Sure.

Senator MARTINEZ. And the issue of the cap and whether it should be removed or not. Another issue I know that is of concern that industry is the issue of the local FHA limits and whether they operate unfairly in neighboring communities just by the mere fact of geography and not home prices. So, I would appreciate an update from Mr. Montgomery, who I am sure has a his hands full with a whole lot of other things, on this whole issue of reverse mortgages and where we should go with it in terms of future caps or no caps, and just a good experience on where we have been and where we should go.

Secretary JACKSON. I can assure you that Assistant Secretary Montgomery will get on that immediately.

[Laughter.]

Senator MARTINEZ. Yes. It would be a good chance to see him. And thank you very much, sir.

Chairman SHELBY. Senator Reed.

**STATEMENT OF SENATOR JACK REED**

Senator REED. Thank you very much, Mr. Chairman.

I certainly want to commend Senator Sarbanes for this legislative proposal. It makes great sense, and in one very real sense, it is overdue. I mean, we recognize we have to coordinate better. And Mr. Secretary, thank you for your testimony and your service.

One of the aspects of the seniors who want to stay in place is that to stay in place, they need more assistive services. I know we have the 202 Senior Housing program. There has been some effort to try to incorporate more services so it becomes more of an assisted living arrangement rather than simply a rental unit. Can you comment on what you and HHS and others are doing to try to help this transformation?

Secretary JACKSON. I think as the Chairman said, at one time, we were basically somewhat obstinate about getting into the assisted living area. We realize today more and more, that is needed; that many of the people can live, but some of them cannot live directly independent of each other. And that is why I said to you that Health and Human Services and us have been working well. But if we have a structure in place that says this is the best way to address it, I think it will be much better.

And I, in reading the legislation Senator Sarbanes has proposed to us, I think that that begins to give us a structure, and we will be, in essence, forced to work much closer than we have in the past. And that is not to say that it has been negative. it has been very positive. I will tell you that.

Senator REED. I appreciate that, Mr. Secretary, and we all recognize that this is a growing demand, that this is a growth industry for seniors. I point out in my notes that by the year 2030, nearly one-fifth of the U.S. population will be over 65.

Secretary JACKSON. That is correct.

Senator REED. I will be 85, with any luck.

[Laughter.]

I take some solace in knowing that Rhode Island is the fifth-largest State with a population over 85 years old, so I have lots of company back home. But we are addressing these issues of increased growth and demand with relatively flat budgets. The 202 budget has been declining slightly; in fact, doing reasonably well given the huge pressure on the budget, but if this was a situation of a constant demand, we would feel pretty good about it.

And essentially, at the heart of the interagency effort are efforts by HHS to give support, which is typically Medicaid; as you understand there is a $10 billion cut hanging out there in Medicaid funding. And I would also point to transit funding, which is also so critical to seniors so that they can maintain their independence.

Secretary JACKSON. True.

Senator REED. Particularly the innovative programs, the small jitneys that move around and take people to programs and not traditional bus service.

So my sense is your great challenge would not be just talking to each other but finding the resources to meet this effort. Any ideas that you have in that regard?

Secretary JACKSON. It is always a challenge for the resources. There is no question, Senator Reed. But I do believe this, that if we are able to put in place the legislation that we proposed for the flexible voucher program, we will level off the Section 8 program, which will help us tremendously look at other programs that I feel are very critical to the needs of HUD and the elderly, the handicapped, and others.

And I think that once we do that, stop the growth of the program as exponentially as it has been, I think we can address many of the issues you just said.

Senator REED. Well, Mr. Secretary, I hope we do not just get in a situation of shifting the burden to another population. One of the reasons, I think, for the growth in the Section 8 subsidies is because the housing market has been accelerating dramatically. Those costs go up. And if you want to compensate a private landlord for putting people in his unit, you have to give him a subsidy that is at least remotely related to what he could get by going out in the market and putting people in.

Secretary JACKSON. I agree with you, but let me say this to you, because we are talking about regional areas. If you are talking about the East Coast or the West Coast, yes, that is the case. But if you are talking about the Southwest, the Midwest, the Southeast, the affordable housing rates in many of the markets have gone down substantially. And I think clearly, we understand that, and we compensate for the East and West Coasts.

Senator REED. I am particularly interested in compensating for the East and West Coasts. The East Coast.

[Laughter.]

The West Coast has their own people here, but from my perception, you can find Mr. Secretary, areas where the housing is rather stable, and the prices have been reasonable, but I have seen up in, the Minneapolis area, where it is very expensive there, and that is smack dab in the middle of the country, so I do not think it is entirely the East Coast.

And as you know, there are some of us who are trying to do some things with affordable housing in this GSE bill, and we will get a chance to talk about that later.

Secretary JACKSON. All right.

Senator REED. Thank you, Mr. Secretary.

Secretary JACKSON. Thank you.

Chairman SHELBY. Mr. Secretary, we thank you for your appearance, and I know you will be back. Thank you very much.

Senator SARBANES. Could I ask the Secretary a question before he leaves?

Chairman SHELBY. Sure.

Senator SARBANES. Are you all keeping an eye on this marked increase in interest-free mortgages where they pay only interest and are not paying down the principal at all?

Secretary JACKSON. Yes, we are.

Senator SARBANES. All right; because I think the potential implications of that could be very far reaching if the economy takes something of a dip.

Secretary JACKSON. I think you are absolutely correct. And we are very much so, and I have had a number of discussions with Secretary Snow. That is a very critical issue.

Chairman SHELBY. Thank you, Mr. Secretary.

Secretary JACKSON. Thank you.

Chairman SHELBY. Our second panel will be Ms. Nelda Barnett, Board Member, AARP. Senator Bunning wanted to introduce Ms. Barnett, and he has a statement for the record. He is in a markup now, and he cannot be there, in another Committee, but I want to put his statement on his behalf into the record.

Ms. Dana Jo Olson, Executive Director, Laurel Manor Senior Residence; Mr. Steve Proctor, President and CEO, Presbyterian Homes, Inc., Pennsylvania Nonprofit Housing Association; Dr. William T. Smith, President, American Association of Homes and Services for the Aging; Ms. Terry Allton, Vice President for Support Services, National Church Residences; Mr. Steve Protulis, Executive Director, Elderly Housing Development and Operations Corporation; Mr. David G. Wood, Director, Financial Markets and Community Investment, U.S. Government Accountability Office.

I have introduced you earlier, but I wanted to do it again for the panel. Thank you very much. All of your written testimony will be made part of the record. We are probably going to have a vote on the floor and have to cut loose but not yet, and we will start with you, Ms. Barnett, if you will sum up your testimony in 5 minutes or less.

Ms. BARNETT. I will do the best I can.

Chairman SHELBY. Thank you so much. Welcome all of you.

Ms. BARNETT. Thank you very much. Thank you and welcome for your note on Senator Bunning. His staff had contacted me.

Chairman SHELBY. Yes. Senator Bunning is a very important Member of this Committee. He is on the Finance Committee, and he is tied up, and he better be where he is right at the moment.

Ms. BARNETT. Thank you very much.

Chairman SHELBY. But he did want me to mention that.

**STATEMENT OF NELDA BARNETT**
**MEMBER, BOARD OF DIRECTORS, AARP**

Ms. BARNETT. I appreciate it. And I thank you for this opportunity to testify this morning. I am Nelda Barnett and I am from Owensboro, Kentucky. I am also a Member of AARP's Board of Directors.

My remarks this morning will focus on the need to improve coordination among the various agencies, levels of government, and providers of housing and related supportive services that older Americans require in order to age with dignity in our own homes. It goes without saying that housing is a critical factor in determining our quality of life.

During the 1990's, Americans on the average improved the quality of their housing, but despite the progress of the 1990's, many low-income and moderate income, older Americans continue to experience serious housing problems, and their numbers are growing.

Already, what we call the "old old population," those aged 85 and older, represents the fastest growing segment among older persons in our Nation. This group is disproportionately frail and among the most vulnerable to excessive housing cost burdens. To be more specific, there are about 4.6 million Americans aged 85 and older in 2002. That number is projected to increase by more than 70 percent, to approximately 7.3 million, by 2020.

Clearly, powerful demographic forces are at work. By 2030, the number of persons age 65 and older will increase to 20 percent of the population, and much of this growth will be driven by large increases in the number of persons age 75 and older. AARP supports enactment of S. 705, Meeting the Housing and Service Needs of Seniors Act of 2005. The need for greater coordination is particularly apparent when trying to put together the housing, health, and social service programs at all levels of government that are critical to successfully serving people with disabilities of all ages.

Research has shown that Federal housing programs have very efficiently, if inadvertently, identified those who are at high risk of needing supportive services in order to remain independent. Analysis by AARP's Public Policy Institute of data from the 2002 American Community Survey found that compared to older homeowners, older renters in subsidized housing were much older. Half of the renters in subsidized housing were 75 or older, compared to just over one-third of older homeowners.

It found it twice as likely as older homeowners to experience physical and cognitive limitations that threaten their ability to live independently, and it found it more than three times as likely as older homeowners to live and have weak informal supports from family and roughly three times as likely as older homeowners to be at high risk of needing Medicaid assistance due to low incomes and high levels of disability.

Better coordination of housing, health, and social service programs would serve a variety of purposes, but the most compelling case for better coordination comes from the lives of our older people who need assistance. The older woman who is clinging to independent living in her apartment but has no one to help her bathe or just get out of the tub; the older man who is told he has to move to a nursing home to get housekeeping services; or an older disabled resident in a nursing home who might have been able to leave if suitable housing and services were available.

AARP research consistently documents that as Americans pass through mid-life, regardless of whether they own or rent their housing, we, by and large, prefer to remain in our own homes. But the adaptability of housing to the processes of aging in place presents different challenges for housing facilities that have not often been designed with these life changes in mind.

Mr. Chairman, if we continue to accept poor coordination among providers of housing and housing related services, we will see an America with an even greater number of underhoused, underserved older citizens and a corresponding substantial increase in costly and premature institutionalization of older people. S. 705 is a worthy first step as we begin to address these problems. We urge its speedy enactment.

Thank you again for this opportunity to testify, and we would be very happy to answer any questions.

Chairman SHELBY. Thank you.

Ms. OLSON.

**STATEMENT OF DANA OLSON**
**EXECUTIVE DIRECTOR, VOLUNTEERS OF AMERICA'S LAUREL MANOR SENIOR RESIDENCE, COLORADO SPRINGS, COLORADO**

Ms. OLSON. Chairman Shelby, Senator Sarbanes, and Members of the Committee, I am Dana Olson, Executive Director of Volunteers of America Laurel Manor Care Center in Colorado Springs, Colorado, and Regional Health Care Manager of 11 Volunteers of America senior residences in Colorado, Nevada, and California.

In that capacity, I also supervise the opening and initial operations of our senior residence in Senator Allard's home town of Fort Collins, Colorado. I have worked for 34 years in long-term care, about 15 years of those years as Director of Nursing and the rest as a Nursing Home Administrator. Volunteers of America is one of the Nation's largest and most comprehensive charitable, nonprofit, spiritually based human service organizations. In 2004, Volunteers of America's services across the country sought to empower over 135,000 seniors to maintain a healthy, engaged quality of life through senior centers and day programs, home repair and homemaker services, information and referral services, Meals on Wheels and group meal programs, transportation, companion services, elder abuse protection, case management, and coordination of other community services.

On behalf of our organization, I want to express our sincere appreciation for your interest in Senate Bill 705, the Meeting the Housing and Service Needs of Seniors Act and concern for the needed coordination between housing, health care, and supportive services for the growing population of seniors in the United States. In a recent study, the State of the Nation's Housing 2001, the Joint Center for Housing Studies of Harvard University reported that heads of household over the age of 75 are expected to increase by roughly 1.3 million over the decade. They go on to say that this growth implies rising demand for housing that allows seniors to age safely in place and for specialized facilities such as assisted living and continuing care communities.

Clearly, as a Nation, we have a problem of extraordinary scale and urgency, as the housing and social service programs and funding we have in place today will not keep pace with this situation. As people grow older in residences designed only for independent living, they are at high risk of being forced into institutional nursing home care or alternatively having their needs unmet.

Much of this problem is due to the fact that the delivery of services to many persons is fragmented because of multiple policymaking authorities and funding streams, conflicting regulations, and poorly coordinated overlapping Federal and State government agencies. This fragmentation is not only costly; but it also oftentimes leads to serious gaps in providing what is needed.

It is because of this existing fragmentation that passage of Senate Bill 705, the Meeting the Housing and Service Needs of Seniors

Act, is so important as a step in the right direction to better coordinate our housing programs and related services, so seniors can age in place and have access to needed services.

Let me tell you a little about my experience in Colorado. As the administrator of a skilled long-term care center, I am seeing older, more frail, acutely ill seniors coming to us for care and rehabilitation to allow them to return home or to a lesser level of care in the continuum. As the people we care for come to us much more acutely ill, and the regulations under which we operate become more and more stringent, the fragmented system is more difficult to work with.

We never want to be in a position that limits the services we need to provide to give our residents the highest quality of service possible, but we need your help to do so. As the Regional Housing Manager of five 202 senior housing complexes in Colorado, we have a waiting list of over 200 seniors. That means 200 seniors are out there in need of our services, and we are not able to meet those needs at this time.

This only reinforces the need for more available services for our seniors. The best way to meet this need is to have adequate funding to build additional senior apartment facilities with a service coordinator in each facility. The person would have the capability of assisting our seniors access the system to fill the need for food, medical care, and other supportive services.

But even good service coordinators have difficulty unraveling the myriad rules, regulations, agency sources, and funding streams that are intended to serve senior citizens. Passing this legislation and establishing a Federal Interagency Council on meeting the housing and service needs of seniors would provide a structure for a Federal agency to jointly review housing and service programs, more effectively coordinate Federal programs and services, and work with States to coordinate programs and services at the State and local level.

For the sake of our Nation and its deserving senior citizens, we must find an efficient, well-coordinated means of providing long-term care through integrated health care with supportive services and housing, and that process has to start at the top. That is why Volunteers of America believes that the Meeting the Housing and Service Needs of Seniors Act must be passed as a bipartisan testimony to the worth of our older generations.

We appreciate the opportunity to bring you our ideas and perspectives and want to ensure all of the Members of the Committee that Volunteers of America is strongly committed to helping resolve these issues before the growing demand for elderly housing and supportive services spirals out of control. We are confident that sound solutions can be found and implemented in a way that is fiscally responsible and fair to all parties.

Thank you.

Chairman SHELBY. Mr. Proctor, I just wanted to mention, as you well know, Senator Santorum was here earlier. He is a Member of the Finance Committee. They are having a markup, and he wanted me again to reiterate if he could be here, he would like to acknowledge your presence.

Thank you.

**STATEMENT OF STEPHEN PROCTOR**
**PRESIDENT AND CEO, PRESBYTERIAN HOMES, INC.**
**RETIREMENT AND SENIOR CARE SERVICES,**
**CAMP HILL, PENNSYLVANIA**

Mr. PROCTOR. Thank you.

Chairman SHELBY. Go ahead.

Mr. PROCTOR. Good morning, Mr. Chairman and distinguished Members of the Committee. I am Steve Proctor, President and CEO of Presbyterian Homes, headquartered in Camp Hill, Pennsylvania, and I am honored to be able to provide you with some testimony today on behalf of Presbyterian Homes and the Pennsylvania Not for Profit Homes Association, the principal association that provides representation for faith-based providers of senior services.

As was mentioned earlier, the population we serve in Pennsylvania is among the Nation's oldest and, in many areas of the State, requires a significant amount of care. We have 15 facilities in Pennsylvania, but we also have facilities in Maryland, Delaware, and Southeastern Ohio. Some are located in urban areas; others are located in some of the most rural places you can imagine.

We provide a full continuum of care for Pennsylvanians in need of chronic care. Seniors in some of our locations are younger individuals with disabilities. Our staff, about 2,600 individuals, provides housing and services to more than 3,000 residents Statewide, and we are very proud of the history of 80 years of service or providing this kind of care.

When I was first told about the intent of S. 705 and asked to testify, I was a little skeptical. Historically, proposals to initiate this type of council have been many, and the solutions coming from them have not always lived up to their original billing. But when I read Senator Sarbanes' bill and comments during the introduction of this piece of legislation, we discovered that it was very consistent with PANPHA's Strategic Initiative on Consumer Choice. That is, housing and services alignment driven by consumer need, not the wishes of often well-intentioned bureaucrats and funding agencies.

We strive toward this goal because it is how consumers wish to, and deserve to, receive the services they need and want. In short, this bill makes sense. The coordination proposed in S. 705 is not only necessary; it is long overdue and will provide real enhancements in the delivery of housing and services to the people we serve.

As a provider of housing and services, I thought my time before you would best be focused on some specific examples of how things work in terms of the statutory regulatory and funding maze that is out there. PHI is a sponsor of Stadium Place, a model for senior housing located on the site of Memorial Stadium in Baltimore. The site currently contains HUD housing, tax credit housing for seniors, market rate and homeownership developments to follow. It shares a site containing a full service YMCA and has developed to provide seniors with limited incomes many of the same options available only to more affluent seniors of continuing care retirement communities.

A recent editorial in the *Baltimore Sun* identified Stadium Place as the right model for senior housing. More importantly, many of

the residents of Stadium Place describe it as the best place they have ever lived, and if you have not seen this project, I would encourage you to visit this site.

But the key to really realizing the dream of Stadium Place Memorial Stadium and other senior housing projects of similar scope is the delivery of supportive services in an environment that can best and most charitably be described as fragmented. The combination of case management, coordination of existing services, and flexible delivery service systems will enable this group of seniors to live more healthy and active lives.

The timely intervention of health and social services will ultimately save money by helping residents of Stadium Place to age in place. Aging in place is obviously what people desire if their needs can be met, and that is if their needs can be met. PHI has a person in one of our facilities who has been in that particular project since being admitted with her disabled husband in 1970, so she has really aged in place. We are able to meet her needs, and that is becoming more increasingly difficult as she is in her mid- to upper 1990's. Without better coordination among and across the agencies that deliver services to her, it is doubtful that we can provide a continued opportunity for her to age in place as she would prefer.

There are many examples of the housing and service needs of seniors not matching up with inflexible regulations and program requirements. There are a couple of examples of this that are listed in my printed testimony. They are very obvious in terms of not providing the ability for services to follow people to the place they are moving to. You will see examples of people not having services follow them. Their needs have changed; their income has not changed, but where they live has changed.

You will find that there is a tremendous amount of support not only among service providers but among the people we serve for this as they struggle to find their way through one application process after another or struggle to find services at all. They would be here with me today supporting and seconding all of this.

I will not go over all the statistical evidence of Pennsylvania and all of the seniors we have to serve. That is well-documented and actually frightening, but I would like to second my colleagues' opinions up here in terms of supporting this bill. It is a wonderful bill. We hope it realizes the promise that we all expect from a first rate effort.

Thank you.

Chairman SHELBY. Thank you.

Dr. Smith.

**STATEMENT OF WILLIAM T. SMITH, Ph.D.**

**CHAIR OF THE BOARD, AMERICAN ASSOCIATION OF HOMES AND SERVICES FOR THE AGING (AAHSA)**

Mr. SMITH. Chairman Shelby, Ranking Member Sarbanes, and Members of the Committee, I would like to thank you for inviting me to appear before you today to discuss Senate Bill 705. I have submitted written testimony for the record, so for my comments this morning, I would like to talk to you about the real world experience of providers and seniors we serve as well as the opportuni-

ties that this bill presents for making service delivery and program administration less cumbersome and more responsive.

My name is William Smith. I am the Chair of the Board of the American Association of Homes and Services for the Aging, AAHSA. AAHSA members serve 2 million people every day in 5,600 facilities throughout this country through mission-driven, not for profit organizations dedicated to providing the services people need when they need them in a place that they call home.

AAHSA members offer the continuum of aging services: Assisted living residences, continuing care retirement communities, nursing homes, home and community based services, and senior housing. Our commitment is to create the future of aging services through quality that people can trust. It is this commitment that underlines our support for this legislation, its goals, and increasing the effectiveness and collaboration amongst Federal programs that serve our seniors.

In addition to my work with AAHSA, I serve as the President and CEO of Aging in America, a community-based organization that originated in 1852 with a mission of providing housing for aged women and has evolved into a full service organization employing over 550 staff that serve over 5,000 seniors annually, primarily in the Bronx but also in the neighboring areas of New York.

I know firsthand how complicated and difficult it can be to work with a patch quilt of programs to create the range of housing and services necessary to care for seniors with varying degrees of frailty and need. In 1972, Aging in America developed a skilled nursing facility for 386 residents and later established a continuum of community-based services. In 1978, we converted a 90,000 square foot former high school into our social service agency, including a number of community based activities, intergenerational programs, Alzheimer's day care center, case management, victims assistance, elder abuse, and, frankly, support for grandparents raising grandchildren.

We opened our first senior center in 1979, and since then, we have had two off-site senior centers and four satellite programs providing recreation, education, information, referral, wellness programs, et cetera, to over 1,500 older New Yorkers weekly. We delivered hundreds of meals and last year provided nearly 300 seniors with 3,465 trips to medical and social service providers.

In order to help clients navigate the maze of Federal, State, and local programs, we have developed a comprehensive case management program that provides services for over 700 elderly New Yorkers conducting in-home assessments and authorization of the delivery of in-home personal care, housekeeping services, and home delivered meals. We have a 17-bed temporary housing unit that provides respite, emergency, and permanent living arrangements for people over 60.

Senate Bill 705 is integral to the goals and policy laid out by the Commission on Affordable Housing and Health Facility Needs for Seniors in the Twenty-First Century. The demographics compiled by that Commission are staggering. Today's seniors comprise 12.4 percent of our population. That is 35 million people. By the year 2030, that number will have doubled: 70 million seniors, 20 percent

of our population. I live in Westchester County, and 20 percent of Westchester County is already above the 65 year age group.

One of the Commission's primary recommendations was a call for the coordination of housing and health care among departments, stable, affordable housing settings. Those places that seniors call home are the cornerstone of service delivery. I cannot overstate the importance of bringing services to these housing settings among all income levels. In 2020, those seniors that will need some form of assistance will be 5.8 million homeowners, 1.5 million unsubsidized renters, and almost 600,000 with some form of rental assistance. The Federal and State governments did not set out to create a complicated, contradictory, sometimes duplicative system of programs and funding mechanisms for serving those who are most in need, but unfortunately, that is what we have.

With over half of our senior population at 75 years of age and older, we need to do a better job of making and coordinating that array of services. Senate Bill 705 is a significant step in that direction. It really is landmark legislation, and we strongly support it and support in particular the use of common vocabulary, common age for eligibility, common definition of eligible populations and standards for programs.

Chairman Shelby, Members of the Committee, I want to thank you for your time this morning. I would certainly like to thank Senator Sarbanes for introducing this legislation and taking this important first step. And frankly, I would like to thank the other Committee Members also for their support for this very important legislation.

Thank you.

Chairman SHELBY. Ms. Allton.

**STATEMENT OF TERRY ALLTON**
**VICE PRESIDENT FOR SUPPORT SERVICES**
**NATIONAL CHURCH RESIDENCES**

Ms. ALLTON. Good morning, Chairman Shelby, Ranking Member Sarbanes, and other Members of the Committee. My name is Terry Allton. I am Vice President of Support Services at National Church Residences. We are a nonprofit housing and supportive services and health care provider based out of Columbus, Ohio. We employ 154 service coordinators throughout the United States who provide services to our seniors. I am very excited to be here today to talk about housing and supportive services and especially the Senate Bill 705.

Congress' establishment of the service coordinator program launched a profession with the sole purpose of addressing quality of life issues for the elderly, offering possible solutions to aging in place. The service coordinator program is the Interagency Council in action. The goal of a service coordinator is to link residents with services that exist in the community, allowing them to remain independent, in their own homes, and avoiding the premature institutionalization that they so fear.

The primary function of a service coordinator is to work with service delivery systems, provide resource information, identify programs, and assist seniors through the labyrinth of regulations attributable to a multitude of government agencies. Our elderly resi-

dents typically do not know who supplies which services or that some services even exist within their community, and that is why the prospect of the Interagency Council is so exciting.

National Church Residences is a founding organization of the American Association of Service Coordinators. This is a national, nonprofit organization representing more than 1,500 service coordinators who serve more than 400,000 low-income elderly across the United States. Like others on this panel, National Church Residences is an active member of AAHSA and its State affiliate, the Association of Ohio Philanthropic Homes, Housing, and Services for the Aging. I am here also representing AASC, the American Association of Service Coordinators, as the current Chair of their Board of Directors. AASC has long urged that housing, health care, and other Federal support programs serving the elderly join together to better focus Federal policy and regulatory efforts in conjunction with States and communities. Senate Bill 705 will do exactly that.

Before I talk about our service coordinator program, I would like to talk about NCR's commitment to the preservation of affordable housing and serving residents as they age in place. NCR has long advocated for Congress to recognize the importance of preserving existing affordable housing and helping residents at risk of losing their housing as providers opt out of HUD programs and sell or convert their properties to market rate.

We are losing more senior housing than we are currently building. This means that seniors are and will be in a precarious position to meet their housing and service needs unless we are able to preserve affordable housing. Housing services go hand-in-hand for seniors who are aging in place. One without the other spells disaster for residents as they become frailer, with limited options and fewer resources. Service coordinators serve as a lifeline for seniors in all manner of housing settings and have become an increasingly important part of our older senior housing communities, where people have lived 20-plus years aging in place.

For individual residents, service coordinators do, on the local level, or at best try to do what this legislation would do at the Federal level, by coordinating what is frequently referred to as a crazy quilt of health, housing, and service programs that are used by seniors, service coordinators, and properties. They identify resident needs; they work within the community to locate existing resources: And they provide service management to organized health and wellness programs so that residents who live in these communities who do not know services exist, they broker those services and bring those services to the residents.

They offer one-on-one help for residents by providing intensive assistance, helping residents understand insurance, Medicaid, Medicare, entitlement programs, and benefits that they might not even know that they are eligible for. They act as a broker for services that are difficult to obtain through public resources and assist residents in securing the help that they need to live safely and independently through community agencies.

The first stage of providing a continuum of housing and service choices for the elderly is in home supportive services. Navigating through a system of segmented service providers and benefits is often difficult for older persons and their families. As I said, service

coordinators are the Interagency Council in action. Their lives and jobs will be made a lot easier by Senate Bill 705, not to mention what it will mean to seniors and family caregivers who might be unfamiliar with the aging services field.

In addition to navigating services which should be made easier by this legislation, service coordinators help elderly residents take advantage of cost saving programs such as prescription drug discounts so that the elderly are not choosing between paying the rent, buying food, or getting their prescription drugs. Service coordinators also provide a cost saving benefit to subsidized housing communities, saving those communities money by preventing unnecessary vacancies when residents might go on to a long-term care or some type of situation that they might not need.

So, I will end my comments at that point. I thank you very much for letting me present today, and I will entertain questions later.

Chairman SHELBY. Thank you.

Mr. Protulis.

**STATEMENT OF STEVE PROTULIS, EXECUTIVE DIRECTOR AND VICE PRESIDENT, ELDERLY HOUSING DEVELOPMENT AND OPERATIONS CORPORATION (EHDOC)**

Mr. PROTULIS. Thank you, Mr. Chairman. I really appreciate the opportunity to share with you some of my frustration of the last few years.

First of all, I want to thank you, Mr. Chairman for having a great staff on the basis that, in my opinion, Mark is one of the greatest assets you have, and the Chairman is not hearing you, Mark, I am sorry, but he will.

[Laughter.]

Mark is an outstanding young man you have working for you, sir, and I want you to know that he needs a raise.

[Laughter.]

Chairman SHELBY. I agree. He needs to be better paid.

[Laughter.]

Mr. PROTULIS. Yes, sir. That is exactly right.

Senator SARBANES. There is a law against lobbying the Congress on——

[Laughter.]

Mr. PROTULIS. Okay; I plead the Fifth.

The truth of the matter is I have gone through many notes, and I have already submitted my written testimony, so I want to be brief and just speak from my heart instead of my notes.

And I just wanted to share a couple of things. I wanted to just bring quickly, in my opinion, an observation that is real because it is in this room. There is a lady in a wheelchair sitting in the back; Mary, would you please wave?

Chairman SHELBY. Hold her hand and identify her. I see her.

Mr. PROTULIS. Thank you, Mr. Chairman.

Mary lives in our property in Maryland and she was very depressed, because her doctor, on the basis of frailty, told her that you need to go to a nursing home. Now, here is an example: If you took the time to listen to her agonizing personal feeling—no matter what the physician says—but an individual being told that you have to move from your home, from your place that you are com-

fortable, and go someplace that is new and scary, it was something she did not want to deal with, and the depression took over.

Our service coordinator, actually took time to find an organization that will provide the means so she can age in place, and today, she remains in her place, and through the PACE program, we were able to provide for her needs so that she was able to age in place and be happy. With that example, Mr. Chairman, you can see there are thousands of other stories where we can keep seniors living in the same area and be happy because they are getting their needs met and the service they need.

Prior to working on this bill, I was actually wearing a different hat. I was appointed by this illustrious, great Senator from Maryland, Senator Sarbanes, to a commission. And when I took that job, I was probably the most ignorant person among all the commissioners. And when we went through hearings and listened to the testimony from all kinds of experts and knowledgeable people like on this panel, I was mystified to the lack of knowledge that I had myself and the fact that even in our own commission, which we were given a very short window, 18 months, they cut us $800,000, so we could not get enough witnesses to bring forward; we only had six hearings around the country.

We managed to come out with recommendations, and Mr. Chairman, I have this book here, and I want you to know it is does not have all the answers in here, but there is plenty of information. So having this agency, Mr. Chairman, and you having the leadership to follow the wishes of a great Senator like Sarbanes, where is the question—who can be opposed to this? Who can be opposed to giving seniors a choice? And you know, the only statistic we have in this country are the provisions that we have when we provide services to poor seniors, because it is an inadequate system, because it comes with resources from the Federal Government.

But do you know that every single one of us in this room sooner or later, if it already did not happen, will have to face a reality like the Secretary of HUD mentioned earlier about his mother's decision to stay in her home. And what is available out there? There are some great stories where people have been provided great benefits through the private sector, government assistance, States doing great work, stories that we do not even know exist today in trying to keep that senior aging in place.

So, I just want you to know that the timing is almost too late, but it is important that we are doing something expeditiously and urgently. I just had the privilege yesterday morning to attend an AARP conference where there were over 350 delegates from all over the world to discuss aging in place. The Premier of British Columbia testified in front of all of us. And one of the issues that was mentioned about the agencies that are set up in his own province, how difficult it is to tell bureaucrats from an agency you have to compare notes with someone else, as it was addressed this morning, and it is a major issue.

So the mandate to make this Interagency follow the rules and learn the best stories out there, not just the resources coming from the Federal Government but how we can make those seniors feel there is a place where they can make choices and compare notes. Thank you for the opportunity to testify.

Chairman SHELBY. Thank you.

Mr. Wood.

Senator SARBANES. Mr. Chairman.

Chairman SHELBY. Yes, Senator Sarbanes first.

Senator SARBANES. Mr. Chairman, I am going to have to leave the hearing, because there is another group that has come from my State that we had early on arranged to be here. I do want to thank all the witnesses for their testimony and for the very strong statements. I have looked through these statements, and we very much appreciate the obvious care and effort that went into preparing these statements. These are very valuable in building a record in support of the legislation, and I am very hopeful that we will be able to move ahead on this legislation and provide the kind of support that it would give to the work that you are doing.

And I do want to thank you once again for the work you are doing. It is enormously important.

Chairman SHELBY. Thank you, Senator Sarbanes.

Senator SARBANES. Thank you.

Chairman SHELBY. Mr. Wood.

**STATEMENT OF DAVID G. WOOD, DIRECTOR, FINANCIAL MARKETS AND COMMUNITY INVESTMENT U.S. GOVERNMENT ACCOUNTABILITY OFFICE**

Mr. WOOD. Thank you, Mr. Chairman, and I thank you and the Ranking Member for inviting me today.

My statement is based primarily on our recent report concerning Federal housing assistance programs to benefit the elderly. The report was requested by the Senate's Special Committee on Aging, which was particularly interested in the availability of supportive services for the elderly who reside in federally assisted housing.

Federal programs aid the provision of housing in a variety of ways, ranging from financing the construction and rehabilitation of units to helping pay rents. With few exceptions, the programs are not specifically directed at the elderly, although many can and do benefit from them. We identified a total of 23 Federal assistance programs whose beneficiaries explicitly include the elderly; two that are targeted exclusively to the elderly; three that are targeted exclusively to the elderly or the disabled; 18 that have special provisions for the elderly such as income adjustments that make it easier for them to qualify.

These programs do not reach all eligible households, and waiting lists are often long. Only 4 of the 23 housing assistance programs require that participating property owners ensure the availability of supportive services. For example, HUD Section 202 programs subsidize the development and operating cost of multifamily properties, exclusively for the low-income elderly. Owners must ensure that residents have access to transportation and other services.

The Agriculture Department's Congregate Housing Program funds the development of independent living facilities, which must provide meals, transportation, housekeeping, and personal services. Neither HUD nor Agriculture provide funds under the four programs for supportive services. However, HUD does offer grants and other assistance that can be used to provide some services to elderly residents of federally assisted housing. Property owners typically

obtain needed funds from a variety of sources, including HUD's or other Federal programs or form partnerships with local charities or nonprofits to provide services.

For health care, a key source is the Department of Health and Human Services. For example, the Department's Public Housing Primary Care Program provides some elderly public housing residents with primary and preventive health care through on-site clinics, while the Medicaid Home and Community Based Services Waiver program enables elderly residents to receive needed health care in their current homes, including federally assisted housing.

We do not have comprehensive data on exactly what services are provided to the elderly or how they are funded at all Federally assisted housing programs. However, given the range of programs and funding sources, it is likely that they vary considerably. As the Seniors Commission report illustrates, many elderly Americans can be expected to need both housing and health care services in the future. This is yet another case in which achieving a Federal goal requires the concerted and coordinated efforts of two or more agencies. However, GAO's work has shown that a number of barriers inhibit coordination among agencies. These include missions that are not mutually reinforcing or that may even conflict, concerns about protecting jurisdiction over missions and control over resources, and incompatible procedures, processes, data, and computer systems.

Addressing the potentially large service needs of a growing elderly population will call for effectively overcoming these or other barriers. That concludes my prepared statement. I will be glad to answer any questions you have.

Chairman SHELBY. I want to thank all of you, and I also want to again thank Senator Sarbanes for his leadership in this area. I have several questions, and I will ask, and then, I will have some for the record.

It is very important here as far as the topic. S. 705 would charge an interagency council with making recommendations for streamlining Federal housing programs and services for seniors. That is what we are trying to get at.

Mr. Wood, GAO's February 2005 report, which you have alluded to, states that there is little available information about the effectiveness of these housing programs serving the elderly. We want them to be effective, though. What criteria, Mr. Wood, do you believe that the council should use in making its recommendations? In other words, your testimony refers to existing program missions that are not mutually reinforcing and sometimes conflicting.

Mr. WOOD. Right.

Chairman SHELBY. Should Congress require the Council to establish goals, Federal goals for seniors' housing and services, goals against which the performance of all of these programs should be judged or would be judged?

Mr. WOOD. I think we have in several, a couple of reports in the past stressed a couple of things that have already been mentioned at this hearing this morning. One was by Senator Allard when he talked about the Government Procedures and Results Act. We have testified and reported on many occasions that that offers a good framework for both establishing goals and for promoting coordina-

tion. It is actually a required element of agencies' strategic plans, their annual plans, and their annual reports to report on the extent of coordination that they have engaged in with regard to cross-cutting——

Chairman SHELBY. It makes a lot of sense, does it not?

Mr. WOOD. Absolutely.

Chairman SHELBY. Senator Allard is very involved in the housing, and Ms. Olson and everybody else knows, and is a senior Member of this Committee. He has done a lot of work in this area.

Mr. WOOD. Right; the other thing that I would mention, again, that came up this morning is we have long said that it requires—effective coordination requires a commitment at the top, and by requiring the Secretaries themselves to be part of this Council it addresses that.

Chairman SHELBY. Be very involved.

This type coordination could be, as you know better than anyone, the coordination of services to the elderly to let them live in place could be one of the biggest cost savings for the American people and also could be something that the elderly want to do.

Mr. PROTULIS. Absolutely.

Chairman SHELBY. I do not know myself of any of the elderly that would not rather stay in their home, as you have pointed out, where they are comfortable, something that they are used to. This is just common sense, human nature, is it not, Mr. Protulis?

Mr. PROTULIS. Not only that, Mr. Chairman, but also in these days of cuts in Medicaid and Medicare, we prove over and over by keeping them at their home and providing service, we save money, which is something——

Chairman SHELBY. Save billions and billions of dollars.

Mr. PROTULIS. And there have never been statistics shown, and it is for real. It exists.

Chairman SHELBY. I think you are absolutely right.

I am going to reference S. 705 again. We all have. It would allow State and local representation on the Council. I believe this is an important element to have the representation, have the involvement. As many housing, health care, and transportation programs as we all know are carried out by the State and the local governments. S. 705 directs the council to select these representatives.

To any of you, would you like to comment, would this be a workable process? Should Congress specify a particular number of State or local representatives? Should Congress also specify a more detailed method of choosing which State and local representatives should serve on the Council? Or should that be left up to the Council?

Who wants to tackle that?

Mr. Protulis.

Mr. PROTULIS. I just personally think that my initial reaction is that there has been such overwhelming need to have community involvement so we can safeguard not only the policies already established by the Government but also where the best stories are, where the real good stories are taking place, and they are on the local level. So how do we go about structuring that? I would say that the more involvement in the community it is, the better off it is going to be.

Chairman SHELBY. Sure.

Mr. PROTULIS. And I also want to add one more: If you ask those 30-some seniors sitting behind us which is the number one issue outside of the health care needs, transportation is critical. And I think that department of our agency of the Government also can play a critical role in how we provide transportation, because transportation, when they give up their car, depression sets in; they sit in their room; they do not want to leave. So just housing in place is important to aging in place, but keep them involved in the community, and that transportation is a critical element.

Ms. BARNETT. Mr. Chairman, may I comment on this also?

Chairman SHELBY. Yes, Ms. Barnett.

Ms. BARNETT. I come from a rural area, and transportation is very important. We do not have access to public transportation in only two small areas there. But the cost of transportation is so extremely high that our providers are saying if we go bring a person in to a medical facility, we have to have three of these people to bring in for it to be cost-effective for us. So they cannot bring one in, delaying health care at that point. So this is another reason that I feel that this is so very important, that if we can provide these services in facilities to keep them aging in place that it is very important to do so.

Chairman SHELBY. Thank you.

Ms. BARNETT. I strongly support this bill.

Chairman SHELBY. Dr. Smith.

Mr. SMITH. You know, I get teased by the adage that all politics are local.

Chairman SHELBY. Well, there is a lot of truth in it.

Mr. SMITH. I know, I know.

Chairman SHELBY. A lot of us that run for public office recognize that.

Mr. SMITH. Know that law very well.

[Laughter.]

I think it is important that the Federal Government and through this excellent bill really model how this can be done. I think that clearly, the Secretaries of both major agencies should be mandated to be in attendance for at least a period of time of 2 or 3 years, something like that, and then, perhaps, 50 percent of the meetings going on from there if it is necessary.

But I think the leadership at the top is key. I think for the Commission to appoint—I mean, somehow, they have to solicit recommendations from the local area and get some endorsement from the key players in States or cities. I come from New York that has not found a Federal law that it cannot embrace and enhance, so I get nervous about more regulations coming down the line.

I think where the Commission could clearly help us with that leadership is also looking at common language, common eligibility rules, age rules. I mean, I work with seniors that as they age in place and get older, they fall out or fall ineligible for different types of programs to let them still age in place. So, I think we really have to insist upon common definitions. And forcing these agencies to work together, be in the same room once or twice a year, maybe even more than that, would be a wonderful first start.

Chairman SHELBY. Well, I really like the term coordination more than regulation.

Mr. SMITH. Yes.

Chairman SHELBY. And if we can coordinate, it is more than just common sense. I think you have all demonstrated it. You are involved in it. And I think this is a worthy piece of legislation if we can make it, pass it, and make it work, and if we are able to pass this type of legislation, it will be meaningful, but it will be a heck of a lot more meaningful if it is coordinated and worked, implemented, executed, so to speak.

Mr. SMITH. And AAHSA would certainly stand ready to help the Committee find additional sponsors around the country to really get this legislation passed. So many people will benefit by it.

Chairman SHELBY. You make it bubble up locally.

Mr. SMITH. Absolutely.

Chairman SHELBY. We feel it here, as you know.

I want to thank you all for your appearance but more than that for your involvement. You are committed to a worthy goal.

The hearing stands adjourned.

[Whereupon, at 11:55 a.m., the hearing was adjourned.]

[Prepared statements, response to written questions, and additional material supplied for the record follow:]

## PREPARED STATEMENT OF SENATOR DEBBIE STABENOW

Mr. Chairman, thank you for calling this hearing. And, thank you Senator Sarbanes for championing this issue. I could not agree with you more that better coordination of our Federal resources aimed at assisting seniors is one that needs attention. With seniors comprising more than 12 percent of the Nation's population and that number increasing every year, we must begin putting in place the infrastructure necessary to handle the broad array of services that seniors draw upon each day.

My home State of Michigan has more than 1.2 million residents over the age of 65 and they will all benefit from a more efficient coordination of the services that assist with their housing and other necessary services.

As we know, many of our seniors need assistance with their daily activities. Other seniors need assistance with medication, meals, transportation, health care, and other needs. And, right now, we do not do a great job in matching up a person's housing needs with the way we deliver these vital services.

There are so many ways we can improve our safety-net services to make them more effective. As a Member of the Senate Agriculture Committee, I have seen that also happen with our Federal nutrition programs.

I have meet with food banks that are frustrated that many seniors they would like to help are not eligible for USDA's important nutrition program—the Commodity Supplemental Food Program (CSFP). That is because seniors cannot deduct the cost of their medications when seeking eligibility for food assistance. We have people who are literally deciding between their food and their medicine. In a Nation as great as ours, this is outrageous!

As Senator Sarbanes has pointed out, the current programs and services that assist the elderly in meeting their needs are spread across numerous Federal agencies, making it difficult for seniors to understand and access needed services.

For instance, the Congressionally established Seniors Commission, found in its 2002 report that the most striking characteristic of seniors' housing and health care in this country is the disconnection of one field from another.

Senator Sarbanes is moving us toward a solution. His bill, S. 705, would create an executive level Interagency Council on Meeting the Housing and Service Needs of Seniors to better coordinate housing programs and related services so that senior citizens can age in place and access needed services.

I support his efforts and look forward to the testimony of the witnesses. Thank you.

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## PREPARED STATEMENT OF ALPHONSO JACKSON

SECRETARY, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

JUNE 16, 2005

Chairman Shelby, Ranking Member Sarbanes, distinguished Members of the Committee, thank you for inviting the Department to testify on the "Meeting the Housing and Service Needs of Seniors Act of 2005," legislation intended to better coordinate housing programs and related services so that senior citizens can age in place and access needed services.

I commend the Ranking Member for bringing this matter to the attention of the Committee.

The Committee has asked the Department to discuss the changing senior population and its housing needs. This includes the ability of seniors to access programs and services that will allow them to age in place; the Federal role in better preparing to meet the needs of seniors, particularly as it relates to our partnerships with State and local governments and the private sector; and how an Interagency Council on Meeting the Housing and Service Needs of Seniors could assist and coordinate these efforts.

### The Changing Senior Population and Its Housing Characteristics

The senior population—those aged 65 and over—continues to grow. In the last decade, the elderly population has increased 10 percent. That is an impressive figure considering that those turning 65 in the last 10 years were born in the 1930's, and are the children of the Great Depression, which was a "baby bust" generation.

The fact that the elderly population is growing at such a steady rate reflects both immigration and advances in the Nation's extraordinary health care system. We can be sure that the growth will accelerate. Over the next 5 years, we will have the children of the World War II generation turning 65, followed by the Baby Boom genera-

tion. With that on the horizon, we have every reason to believe that the number of seniors will double by the year 2030. By then, the Census Bureau estimates that 20 percent of Americans will be older than retirement age.

The elderly population is geographically and culturally diverse, and this will present additional challenges in the coming years. For instance, in many minority communities, the culture is to have the grandparents live out a life of a dignity not in an institution, but rather surrounded by family and friends at home. With the rapid growth in the Nation's ethnic and minority communities, these dynamics will become more profound in the future.

Clearly, this Nation will need to address the issue of senior housing from a different perspective than we have in the past.

**How HUD Programs Support the Senior Population**

As the Committee knows, HUD has a long history of providing housing and delivering related services to one of the Nation's most vulnerable populations: The low- and very low-income elderly. The overall aging of the population and the corresponding need for elderly housing has prompted the Department to make changes in a number of our programs to meet this growing demand.

Specifically, the Section 202 program provides an important resource to address the housing needs of the elderly. Along with Low Income Housing Tax Credits, the HOME program, and Section 8/PRAC Assistance, the Section 202 program contributes significant funding toward providing affordable housing units, many with supportive services. The elderly are well-served by HUD programs with representation that is, in general, proportionally higher than the elderly share of total eligible households. The Department has forged successful partnerships with States, localities, and other interested parties to provide additional resources to these projects. More than 375,000 units have been funded since the inception of the Section 202 program, which was established by the Housing Act of 1959.

The program has undergone at least two significant changes since its inception. It began as a low-interest rate loan program without rental subsidy in 1959. In 1974, it became a loan program with project-based Section 8 rental assistance. Finally, in 1991, Section 202 became a capital advance program with project rental assistance, and it remains so to this day. Under the current program, the capital advance is provided without interest and does not have to be paid back as long as the housing remains available for the intended population for 40 years. Projects developed under the current program provide supportive services dependent on the needs of the residents.

More than 6,000 new units have been funded under the Section 202 program annually. These housing units are sponsored by nonprofit organizations, many of which are faith-based. These organizations have a history of serving the elderly and are committed to meeting the needs of this very vulnerable population for the 40-year term of the project and beyond.

To make it easier to develop these projects, the Department has initiated grants to cover certain predevelopment costs that are incurred when constructing a Section 202 project. In the past, we found that many project sponsors have spent valuable time to cover these costs after they obtain a Section 202 commitment from the Department.

The Administration is dedicated to the ongoing viability of the Section 202 program. We are committed to working with Congress, with the nonprofit organizations that sponsor these important projects, and with the elderly persons who are eligible to reside within them.

The Department has experienced an increase in requests to use our multifamily mortgage insurance programs for elderly only housing. In addressing this need, the Department amended the MAP guide to include the Section 231 program; this should enable the Department to process Section 231 applications in about half the time it currently takes.

**Aging in Place**

HUD's commitment to the Section 202 program goes beyond building housing for the elderly; we also want to ensure that they have the services they need in order to live comfortably. For that reason, the Department continues to encourage and fund assisted-living conversion and service coordinator grants to assist existing projects. These programs recognize that residents in our facilities are "aging in place," a concept that HUD supports by encouraging independent living, and helping individuals stay in their homes—keeping them in their communities and close to family and friends.

This is exactly what seniors tell us they want; 95 percent of those over the age of 75 say they want to live independently as long as possible.

The Department has implemented the Assisted Living Conversion Program for 5 years. Under it, HUD provides the funds to convert existing affordable housing units into affordable assisted-living units. HUD requires the sponsor to provide evidence that they have commitments from other sources to fund the services required by residents. We believe that this is the only national program dedicated to the development of assisted-living facilities for very low-income households. The program has successfully produced over 2,100 units; based on our experience, however, we believe many more units could have been developed if the Federal response had been better coordinated.

The Department commitment to providing the service component that is unique to senior housing is demonstrated by our continued support of the Service Coordinator program. It is so important to us that we have an indicator in our Annual Performance Plan to assess HUD's ability to increase by 10 percent the number of elderly households living in private assisted-housing developments served by a service coordinator. The Department continues to be committed to renewing expiring Section 8 contracts and Project Rental Assistance Contracts. We understand this is a critical component in providing affordable housing to the elderly, and we attempt to ensure the timeliness of the payments.

Another example of interagency coordination is our collaboration with the DHHS on the implementation of the new Medicare prescription drug coverage. We are joining forces with DHHS in educating people with Medicare—America's seniors and people with disabilities—that they are all eligible for this new prescription drug coverage and that there is extra help for those *with low income.* To accomplish this, DHUD will train our Rental Housing Integrity Improvement Program (RHIIP) help desk officers so they can include this new coverage in their work with the senior citizens residing in low-income housing. We will work collaboratively and leverage our resources to ensure that we educate America's seniors on this new benefit.

This Administration has recognized the importance of addressing both the housing and servicing needs of the elderly, and has made these issues a priority. The Department agrees with the Committee that seniors require a wide array of housing options with access to services, including meals, transportation, health care, and assistance in daily activities. We also agree there are numerous Federal programs that assist seniors and their families in meeting these needs, and that these programs originate in many governmental agencies on the Federal, State, and local levels.

**Federal Partnerships Assist in Meeting Seniors' Needs**

The Department has made efforts to coordinate to the greatest extent possible with other agencies on its programs. But there can always be improved communication and coordination among all the stakeholders to ensure that seniors have access to decent, safe, and sanitary housing and can obtain the necessary supportive services.

**Examining the Legislation Before the Committee to Create an Interagency Council, and How It Will Help to Meet the Housing and Service Needs of Seniors**

It is our understanding that the legislation proposes an Interagency Council similar in structure to the Congressionally mandated Interagency Council on Homelessness. The Department is a member of the Interagency Council on Homelessness, and we have found it to be an invaluable tool in promoting a more cost-effective Federal response to homelessness. The proposed legislation is of significant interest to the Department. If we are indeed able to inspire effective cooperation among those Federal agencies that address the housing needs of seniors, the effort may yield long-term care savings that could pay for home-based alternatives. Such responses could, however, create demand for or increased spending in other programs. The comprehensive nature of interagency work on these issues should allow for consideration of all such issues.

We believe the legislation before you today puts forth some good ideas. Thus, the Administration supports the concept of creating an Interagency Council to coordinate the Federal Government's efforts to address the unique needs of this continually evolving population. There are some technical aspects the Administration would like to work with Congress to address. We question whether it is necessary to exempt council staff from civil service provisions.

In summary, the Administration and the Department are committed to working with Congress and our industry partners to address the growing need for affordable elderly housing and the necessary supportive services. The proposed legislation will provide an opportunity for us to work with other governmental agencies and stakeholders, and coordinate on a more comprehensive basis the resources required to address this growing need.

**PREPARED STATEMENT NELDA BARNETT**

MEMBER, BOARD OF DIRECTORS, AARP

JUNE 16, 2005

Good morning. Chairman Shelby, Ranking Member Sarbanes and Members of the Committee, thank you for this opportunity to testify today, on behalf of AARP, regarding the state of housing and housing-related services for American seniors. My name is Nelda Barnett. I am from Owensboro, KY, and I am a Member of AARP's Board of Directors. My remarks this morning will focus on the need to improve coordination among the various agencies, levels of government, and providers of housing and related support services that older Americans require in order to age with dignity in their own homes.

It goes without saying that housing is a critical factor in determining our quality of life. During the 1990's, Americans, on average, improved the quality of their housing. But despite the progress of the 1990's, many low-income and moderate-income, older Americans continue to experience serious housing problems—and their numbers are growing. At the top of the list of problems are:

- Substandard conditions—there has been remarkable progress in living conditions over the decades; however, the 2003 American Housing Survey still indicates around 6 percent of older households living in units with moderate or severe physical problems,
- a lack of affordability, and
- housing that is simply not appropriate for the changing needs of older people.

AARP's views regarding housing policy reflect the public commitment made over half a century ago by the Housing Act of 1949, that sets the goals of "a decent home and a suitable environment" for every family in America.

Our policy recommendations are framed by our concern for:

- The affordability, accessibility, and appropriateness of housing for older persons,
- The impact of the supply and demand for elderly housing and supportive services on older persons, and
- How the design and maintenance of an older person's home can impact an older person.

AARP research consistently documents that as Americans pass through midlife—regardless of whether they own or rent their housing—they by-and-large prefer to remain in their homes. This fact has been consistently documented by AARP research (Fixing to Stay, 2000; Beyond 50.05, 2005). But the adaptability of housing to the processes of "aging in place" presents difficult challenges for housing facilities that have often not been designed with these life changes in mind.

Already, what we call our "old-old" population—those aged 85 and over—represents the fastest growing segment among older persons in our Nation. This group is disproportionately frail, and among the most vulnerable to excessive housing cost burdens. To be more specific, there were about 4.6 million Americans aged 85 and older in 2002. That number is projected to increase by more than 70 percent—to approximately 7.3 million—by 2020. Clearly, powerful demographic forces are at work. By 2030, the number of persons aged 65 and older will increase to 20 percent of the population and much of this growth will be driven by large increases in the number of persons aged 75 and older.

Today, the availability of and access to supportive services varies widely. An important factor is the residential distribution patterns of older Americans. According to AARP's analysis of the 2003 American Housing Survey data, 74 percent of today's older households live outside central cities. They are dispersed across suburbs, small towns, and rural areas. Such dispersion presents formidable challenges to the efficient delivery of supportive services such as transportation, in-home health care, home-delivered meals, home care, and other necessary services.

Mr. Chairman, there is a deficit of affordable and appropriate housing for growing numbers of our older Americans. The housing and healthcare services shortfall of today will turn into the housing and healthcare services crisis of tomorrow if our policymakers fail to anticipate and act on the arrival of baby boomers that are of modest means.

Given the dwindling Federal resources available to address these needs, the importance of improved coordination cannot be overstated. In this light, AARP supports enactment of S. 705, the "Meeting the Housing and Service Needs of Seniors Act of 2005," is essential. As proposed, S. 705 would establish an Interagency Council to not only coordinate service delivery, but also monitor, evaluate, and recommend improvements in existing programs and services that assist seniors in meeting their housing and service needs at the Federal, State, and local level. And,

the Council would collect and disseminate information about the needs of seniors along with these programs and services.

AARP strongly supports enactment of S. 705. At the same time, we urge strengthened provisions to improve the extent to which Congress and the public can evaluate any of the housing and housing-related services information collected by the Interagency Council or that is otherwise required to be provided to the relevant Committees and the Council. We respectfully suggest that Congress may want to require that this information be made available over the Internet and in a format which facilitates comparative analysis and content searches. Improving the accessibility of this data would also help improve overall public confidence in these programs.

Better coordination of housing programs is needed for a variety of reasons. In many instances, multiple program requirements and paperwork may become duplicative and burdensome. Resident eligibility requirements and means testing procedures may also be slightly different across programs. And, different methods of establishing rent levels and defining market areas for comparison are used by different programs. Last, different housing sponsors and agencies may have different waiting lists that can overlap for a population at need.

The need for greater coordination is particularly apparent when trying to put together the housing, health, and social services programs at all levels of government that are critical to successfully serving persons with disabilities of all ages. Research has shown that Federal housing programs have very efficiently, if inadvertently, identified those who are at high risk of needing supportive services to remain independent. Analysis by AARP's Public Policy Institute of data from the 2002 American Communities Survey found that, compared to older homeowners, older renters in subsidized housing were: [1]

- Much older—half of the older renters in subsidized housing were 75 or older compared to just over a third of older homeowners;
- Twice as likely as older homeowners to experience physical and cognitive limitations that threaten their ability to live independently;
- More than three times as likely as older homeowners to live alone and have weak informal supports from family; and
- Roughly three times as likely as older homeowners to be at high risk of needing Medicaid assistance due to low incomes and high levels of disability.

Better coordination of housing, health, and social services programs would serve a variety of purposes. Housing managers need reliable partners from health and social services agencies to serve the large and growing number of frail, older people in their buildings. Social services agencies could benefit from the greater efficiencies of serving concentrations of older people with supportive services needs. But the most compelling case for better coordination comes from the lives of the older people who need assistance—the older woman who is desperately clinging to independence in her apartment but has no one to help her bathe or just simply get out of the tub; the older man who is told he must move to a nursing home to get basic housekeeping services; or the older disabled resident in a nursing home who might have been able to leave if suitable housing and services were available.

AARP actively participated in the Seniors Housing Commission whose 2002 report called attention to many of these issues. We have supported efforts to expand the mission of housing programs and to provide the needed tools for serving older persons with disabilities through building features that accommodate service needs, staffing that includes trained service coordinators, and retrofitting dollars to convert buildings to assisted living. AARP is cochairing a process, along with the National Cooperative Bank Development Corporation, Fannie Mae, and the National Council of State Housing Agencies, to develop recommendations on how housing finance programs could be better structured to promote affordable assisted living. While these efforts have been important, they do not yet approach the scale of what is needed to serve the frail older people who need help. Only a concerted effort by all agencies at all levels of government can adequately address these needs.

Mr. Chairman, if we continue to accept poor coordination among providers of housing and housing-related services, we will see an America with an even greater number of underhoused, underserved older citizens and a corresponding substantial increase in costly and premature institutionalization of older people. S. 705 is a worthy first step as we begin to address these problems. We urge its speedy enactment.

Thank you again for the opportunity to testify. I would be happy to answer any questions you may have at this time.

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[1] Redfoot, D., Kochera, A., (2004). *Journal of Housing for the Elderly,* (Vol. 18 No. ¾, p. 137).

## PREPARED STATEMENT OF DANA OLSON

EXECUTIVE DIRECTOR, VOLUNTEERS OF AMERICA'S LAUREL MANOR SENIOR RESIDENCE, COLORADO SPRINGS, COLORADO

JUNE 16, 2005

Mr. Chairman, Members of the Committee, I am Dana Olson, Executive Director of Volunteers of America's Laurel Manor Senior Residence in Colorado Springs, Colorado and regional healthcare manager for 11 Volunteers of America senior residences in Colorado, Nevada, and California. In that capacity, I also supervised the opening and initial operations of our senior residence in Senator Allard's hometown of Ft. Collins, Colorado. I have worked for 34 years in Long Term Care—about 15 of those years as a director of nursing and the rest as a nursing home administrator. Ten years of my experience in Colorado was working in a facility with a high population of mentally ill people.

Volunteers of America is one of the Nation's largest and most comprehensive charitable, nonprofit, spiritually based human service organizations. We provide services that are designed locally to address specific community needs. Our common areas of focus include caring for the elderly and people with disabilities by fostering their independence, promoting self-sufficiency for the homeless and for others overcoming personal crisis, and supporting troubled and at-risk children and youth. In 2004, Volunteers of America services across the country sshould empower over 135,000 seniors to maintain a healthy, engaged quality of life through senior centers and day programs, home repair and homemaker services, informational and referral services, Meals-on-Wheels and group meal programs, transportation, companion services, elder abuse protection, case management, and coordination of other community services.

Also, Volunteers of America is one of the Nation's leading nonprofit providers of quality affordable housing for individuals and families in need, people with disabilities, and the elderly in over 225 communities across the country, and is a growing provider of assisted living, skilled nursing and Alzheimer facilities for seniors with limited resources. As a leading provider of housing and services for the elderly, Volunteers of America is an active member of the Leadership Council of Aging Organizations, the American Association of Homes and Services for the Aging, the National Council on the Aging, the Interfaith Coalition for Long Term Care, and the Elderly Housing Coalition.

As a spiritually based organization we draw on more than a century of experience and the reach of a nationwide movement that is:

- Bonded by a commitment to faith, human dignity, and social justice;
- Dedicated to actively engaging volunteers in the community;
- Committed to the highest quality of service.

On behalf of our organization, I want to express our sincere appreciation for your interest in S. 705, the Meeting the Housing and Service Needs of Seniors Act, and concern for the needed coordinated between housing, healthcare, and supportive services for the growing population of seniors in the United States.

The problems we face as an nonprofit human service organization and as a Nation in attempting to provide more and better facilities to house and serve America's seniors, especially the frail elderly, will be severely compounded by the expected rapid growth in the Nation's aging population in the coming decades and the lack of adequate public policy and resources to meet that growth.

In a recent study, "The State of the Nation's Housing 2001," the Joint Center for Housing Studies of Harvard University reported that heads of households over the age of 75 "are expected to increase by roughly 1.3 million over the decade." They go on to say, "This growth implies rising demand for housing that allows seniors to age safely in place and for specialized facilities such as assisted living and continuing care communities."

The Harvard report further indicates that, of the nearly 5 million one-person households to be added over the next decade, "almost one-third will be over the age of 65." This growth is not going to take place in the distant future, it is going to be taking place between now and 2010, when the baby boomer generation begins to retire in ever increasing numbers.

In their 2004 report, the Joint Center said the Nation's 35.6 million seniors face a "quadruple threat." First, many have inadequate incomes to pay for housing; second, increased healthcare needs compete with other basic needs; third, most live in single-family homes that require maintenance and are difficult for caregivers to reach because of their geographic dispersion; and fourth, "many have physical limitations or cognitive impairments that must be addressed by in-home care or struc-

tural modifications. In the 2000 Census, for example, 9.5 million seniors reported a physical disability and 3.6 million reported a mental disability."

All of this is corroborated by the U.S. Department of Housing and Urban Development anticipating that today's senior population will double in size by 2030, expanding at a rate of almost 3 percent a year to almost 70 million people by that time, with the fastest growing segment of that cohort being persons aged 85 and older. Commensurately, the Census Bureau estimates that 20 percent of the population in the United States will be beyond retirement age by 2030 compared with only about 13 percent today.

Clearly, as a Nation we have a problem of extraordinary scale and urgency as the housing and social services programs and funding we have in place today will not keep pace with this situation. Therefore, it is so important that the programs we have in place—like the excellent Section 202 Elderly Housing Program—operate in an efficient and expeditious manner. But its effectiveness for the future can only be made complete by assuring the availability of coordinated healthcare and supportive services.

Because of that need, Volunteers of America believes we are at a time in our history that calls for serious debate that leads to the creation of a national long term care policy that is inclusive of the continuum of services issues of affordable senior housing, adult day care, homecare, assisted living, and skilled nursing facilities. This is vitally important to persons who are frail and elderly, especially those who participate in federally assisted or subsidized housing, who are among the most vulnerable. As they grow older in residences designed for independent living, they are at high risk of being forced into institutional nursing home care, or alternatively having their needs unmet.

Much of this problem is due to the fact that the delivery of services to many persons is fragmented because of multiple policymaking authorities and funding streams; conflicting regulations; and poorly coordinated, overlapping State and Federal Government agencies. This fragmentation is not only costly, it often times leads to serious gaps in providing what is needed. For instance: Providers of long-term housing finance typically to not understand the terminology or analytic framework of the health care community. Health care regulators are unaware of the requirements of housing finance. The need to get participation and approvals for transportation, social service, and other regulatory bodies further complicates the discussion. Housing sponsors often must spend inordinate amounts of time and energy as a go-between because different disciplines give different meanings to important words. Often terms like "assisted living" acquire precise regulatory meanings that differ from State to State.

It is because of this existing fragmentation that passage of S. 705, the Meeting the Housing and Service Needs of Seniors Act, is so important as a step in the right direction to better coordination of housing programs and related services so seniors can age in place and have access to needed services.

Let me tell you a little about my experiences in Colorado. As an Administrator of a skilled, long-term care center, I am seeing older, more frail, acutely ill seniors coming to us for care and rehabilitation to allow them to return home or to a lesser level of care in the continuum. As the people we care for come to us much more acutely ill, and the regulations under which we operate become more and more stringent, the fragmented system is more difficult to work with. We *never* want to be in a position that limits the services we need to provide to give our residents the highest quality of service possible, but we need your help to do so.

As the Regional Housing Manager of five 202 Senior Housing Complexes in Colorado, we have a waiting list of over 200 seniors. That means 200 seniors are out there in need of our services and we are unable to meet those needs at this time. This only reinforces the need for more available housing with services for our seniors. The best way to meet this need is to have adequate funding to build additional senior residences with a service coordinator in each facility. The coordinator would have the capability of assisting our seniors access the system to fill the need for food, medical care, and other supportive services. But even good service coordinators have difficulty unraveling the myriad rules, regulations, agency sources, and funding streams that are intended to serve senior citizens. Passing this legislation and establishing a Federal Interagency Council on Meeting the Housing and Service Needs of Seniors would provide a structure for Federal agencies to jointly review housing and service programs, more effectively coordinate Federal programs and services, and work with States to coordinate programs and services at the State and local level.

Adult children of middle and lower incomes, whose parents face these housing and health care needs, are ill equipped both in terms of care management skills and financial capacity to meet all of the needs their parents face. Our Nation has evolved

to a point where these elders cannot look entirely to their adult children for financial and care support, since most of our households have the adults working full time to meet their own financial obligations and the needs of their young children. Where once upon a time in our Nation, long-term care meant providing for aging adults in their adult children's homes, we now by necessity have our adult children working long days at jobs that leave little time for adult care. Somehow and in some way the solution to this senior housing and long-term care crisis must come from a comprehensive policy that cost-effectively integrates housing, healthcare, and supportive services for seniors into a reasonable approach that meets the needs and affordability of the individual and his/her family in partnership with State and national governments.

Some individuals might think that committed and competent providers like Volunteers of America have access to sufficient resources to meet the growing national need for elderly housing, healthcare, and supportive services. Unfortunately, that is not the case, especially with respect to the growing needs of frail seniors who are not affluent. There has been a trend toward reduced funding for the development of new federally assisted housing for seniors, the devolution of Federal housing programs to State and local governments, short-term renewals and funding for Section 8 contracts, the potential loss of affordable housing units to market-rate housing through Mark To Market, and, more recently, cutbacks in Medicaid funding and barely level funding for the important Service Coordinator program.

For the sake of our Nation and its deserving senior citizens we must find an efficient, well coordinated means of providing long-term care through integrated healthcare with supportive services and housing, and that process has to begin at the top. That is why Volunteers of America believes that the Meeting the Housing and Service Needs of Seniors Act must be passed as a bipartisan testimony to the worth of our older generations.

We appreciate the opportunity to bring you our ideas and perspectives and want to assure all the Members of the Committee that Volunteers of America is strongly committed to helping resolve these issues before the growing demand for elderly housing and supportive services spirals out of control. We are confident that sound solutions can be found and implemented in a way that is fiscally responsible and fair to all parties.

Thank you.

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## PREPARED STATEMENT OF STEPHEN PROCTOR

PRESIDENT AND CEO, PHI RETIREMENT AND SENIOR CARE SERVICES, CAMP HILL, PA

JUNE 16, 2005

Good morning Mr. Chairman and distinguished Members of the Committee. I am Steve Proctor, President and CEO of Presbyterian Homes, Inc., headquartered in Camp Hill, PA, and am honored to have been asked to provide you with testimony today on behalf of Presbyterian Homes and PANPHA—Pennsylvania's trade association representing nonprofit senior services providers. The population we serve in Pennsylvania is among the Nation's oldest, and in many areas of the State, requires more care than average. We have 15 sites statewide. Some are located in the State's largest urban/suburban areas. Others are located in regions that are among its most rural.

We provide the full continuum of care for Pennsylvanians in need of chronic care—seniors and, in some of our locations, younger residents with disabilities. Our world class staff—2,600 strong—provide housing and services to more than 3,000 residents statewide. We are extremely proud of our dedicated service and care providers without whom, providing the highest quality of care and services would not be possible.

I will admit that when first told about the intent of S. 705 and asked to testify, I reacted with a degree of skepticism. Historically, proposals to initiate this type of council have been many—and solutions coming from them few. Then I read Senator Sarbanes' bill, and his comments during introduction of this piece of legislation. It is consistent with PANPHA's strategic initiative on "Consumer Choice"—that is, housing and services alignment driven by consumer need, not the wishes of often well-intentioned bureaucrats and funding agencies. We strive toward this goal because it is the how consumers wish to and deserve to receive their services.

In short, this bill makes sense. The coordination proposed in S. 705 is not only necessary—but it is also long overdue, and will provide real enhancements in the delivery of housing and services to the people we serve.

As a provider of housing and services, I thought that my time before the distinguished Members of this Committee would be best spent discussing the daily challenges that the maze of statutory, regulatory, and funding requirements pose in providing housing and services for that resident.

PHI is a sponsor of Stadium Place, a model for senior housing located on the site of Memorial Stadium in Baltimore. This site currently contains HUD housing Tax Credit housing for seniors, with market rate and homeownership developments to follow. It also shares the site with a full service YMCA. It was developed to provide seniors with limited incomes many of the same options available to more affluent seniors of continuing care retirement communities. A recent editorial in the *Baltimore Sun* identified Stadium Place as the right model for senior housing. More importantly, many of the residents of Stadium Place describe it as the best place they have ever lived. If you have not seen this project, I would encourage you to visit the site.

The key to fully realizing the dream of Stadium Place and other similar senior housing projects is the delivery of supportive services in an environment that can best be described as fragmented. The combination of case management, coordination of existing services, and flexible service delivery systems will enable this group of seniors to live more healthy and active lives. The timely intervention of health and social services will ultimately save money by helping residents of Stadium Place to age in place.

Aging in place is what people desire, if their needs can be met. PHI has a person in one of our senior housing projects that was admitted with her disabled husband in 1970. Her needs have changed—but her desire to remain in her "home"—since 1970—has not. We provide her with the care and support services necessary in this setting, but it has become increasingly difficult to do so given the maze of regulatory requirements and prohibitions across programs and funding streams. Without better coordination among and across the agencies included on the proposed coordinating council in this bill—she may soon be forced to leave her "home" with us.

There are many examples of the housing and service needs of seniors not matching up with inflexible regulations and program requirements. The following are two recent illustrations in Presbyterian Homes' experience.

The first scenario was an 80+ year-old man who lived in the community. He was receiving funding for services through the Office of Aging's Medicaid waiver. He was receiving meals-on-wheels and was having someone come in to assist him on occasion. PHI staff was called by the Office on Aging to do an assessment on this man. When they got there the following day, they discovered that he had fallen a day or two before, but Aging did not have anyone to send out to see him, so PHI staff were the only ones to help him. They found garbage up to their shoulders with a path through the trailer. It was evident that the personal care services he needed had not been provided in quite a while. He was admitted to a PHI personal care facility.

In this case, the funding and oversight that he received through the Medicaid waiver was obviously not enough to provide him with the services that he needed to stay in his home in a dignified manner. We frequently see families who are provided with the waiver money and then have to make the choice between food, utilities, medication, and assistance.

The problem in this situation is that, while this man could no longer stay at home with the limited support systems available, when he was admitted to a PHI personal care facility, his funding COULDN'T follow him. He was not eligible for any waiver funds, he was a few dollars over the limit to receive the $30/day personal care home supplement which Pennsylvania pays, but he did not have nearly enough the pay for the cost of care in personal care. In addition, in the community, he was eligible for Medicaid health insurance (Access card), but once he was admitted to personal care, he was no longer eligible because the requirements were different. The only reason he was able to be cared for adequately was because we provided him with benevolent care.

The second situation was an elderly woman with mental health issues (schizophrenia) who was evicted by a personal care home because she had extremely limited income. In her case, she was eventually assisted by an inpatient program. The irony of this situation is that had she been admitted to a group home, another "community" setting or her own home, she would have received funding for mental health services and transportation. If she would have been admitted to personal care, she would have lost that funding because it is considered a medical facility and therefore the personal care facility is responsible for those costs/services.

In both of these situations, the funding follows the setting, not the person. The person's needs and income did not change, just where they happened to live.

When placed in context by the challenges I just discussed as we provide housing and services for, the activities of the council proposed in S. 705 take on even greater

importance. The timing could not be better for this effort. In Pennsylvania, the 65+ population is projected to grow by 195,981 between now and 2015—encompassing a full 17 percent of Pennsylvania's population.

You will hear many "experts" tell you we will not feel any impact of the "Baby Boom" until the mid-2020's—that we have ample time to project, plan, and coordinate housing and services. It is true that is when the bulk of the "Baby Boomers" will begin hitting "care age", but to say that we do not need solutions in place until then ignores the realities. In many States, including ours, the sheer volume of residents living past the age of 85 will fundamentally alter the need for coordinated housing and services. Pennsylvania's 85+ population will have more than doubled between 1990 and 2010, growing to 336,407 persons—almost 3 percent of Pennsylvania's total population. They are the highest users of the long-term care continuum—and do not have the luxury of waiting until 2020 for a solution to their immediate care needs.

In Pennsylvania we are feeling the pinch now in a rather difficult budget negotiation at the State level on Medicaid funding for facilities. One of the major causes of that battle, happening right now in many of your States as well, is a direct result of the fragmentation of the programs and funding for long-term care. The provisions in this bill that speak to developing best practices, identifying those barriers—statutory, regulatory, and fiscal—to providing seamless housing and services are our best hope to meet the needs of this growing population.

Thank you again for the opportunity to provide this testimony. I speak for PHI, PANPHA, and our national association AAHSA in applauding your efforts in this bill. We look forward to help laying the groundwork for a delivery system that makes more sense for providers and consumers alike. I would be happy to answer any additional questions you have at this time.

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## PREPARED STATEMENT OF WILLIAM T. SMITH, Ph.D.

CHAIR OF THE BOARD

AMERICAN ASSOCIATION OF HOMES AND SERVICES FOR THE AGING (AAHSA)

JUNE 16, 2005

Chairman Shelby, Ranking Member Sarbanes, Members of the Committee, I would like to thank you for inviting me to appear before you today to discuss S. 705, Meeting the Housing and Services Needs of Seniors Act. I would like to talk to you about the real world experience of providers and the seniors we serve, as well as the opportunities that this bill presents for making service delivery and program administration less cumbersome and more responsive.

My name is William Smith. I am Chair of the Board of the American Association of Homes and Services for the Aging (AAHSA). The members of the American Association of Homes and Services for the Aging serve two million people every day, in 5,600 facilities across the country, through mission-driven, not-for-profit organizations dedicated to providing the services people need, when they need them, in the place they call home.

AAHSA members offer the continuum of aging services: Assisted living residences, continuing care retirement communities, nursing homes, home and community-based service programs, and senior housing. AAHSA's commitment is to create the future of aging services through quality that people can trust. It is this commitment that underlies our support of this legislation, its goals and increasing the effectiveness and collaboration among Federal programs that serve our seniors.

In addition to my work with AAHSA, I serve as the President and CEO of Aging in America, a community-based organization that originated in 1852 with a mission of providing housing for aged women, and has evolved into a full service organization employing over 550 staff that serves over 5,000 seniors annually throughout the Bronx, New York. I know first hand how complicated and difficult it can be to work with a patchwork of programs to create the range of housing and services necessary to care for seniors with varying degrees of frailty and need.

In 1972, Aging in America developed a skilled nursing facility for 386 residents. Later, we established a continuum of community-based services to undertake educational, research, and advocacy efforts designed to further enhance the lives of seniors in our community. In 1978, Aging in America converted a 90,000 squarefoot high school into our social service agency, including a number of community-based activities, intergenerational programs, an Alzheimer's day care center, case management, victim assistance, and elder abuse counseling.

When we opened our first senior center in 1979 we served 45 hot lunches and provided recreational programming. Since then we have added two off-site senior centers and four satellite programs providing recreation, education, information and referral, wellness programming and nutritional services to over 1,500 older New Yorkers weekly. We deliver hundreds of meals daily through congregate lunches at our senior centers and satellite locations. Furthermore, in order to help clients navigate the maze of Federal, State, and local programs we have developed a comprehensive case management program that provides services for over 700 elderly New Yorkers, conducting in-home assessments, case management and authorization for the delivery of in-home personal care, housekeeping services, and home-delivered meals.

Aging in America also offers transportation services and last year we provided nearly 300 seniors with 3,465 trips to medical and social service providers through our program. Our telephone reassurance program assisted 450 seniors over the last year. Our 17 bed temporary housing program provides respite, emergency housing, and permanent living accommodations for people over 60 in need of a semi-protective environment. We are also opening a 120-unit rental community named Hertlin House on Long Island, NY. This housing program is for independent seniors who may require services over time. This property will be targeted to seniors with incomes $25,000 to $30,000 annually.

The Congressionally established Commission on Affordable Housing and Health Faculty Needs for Seniors in the 21st Century, comprised of an expert panel of 13 of aging service professionals, looked carefully at the demographics, existing programs, the current system of service delivery and prepared recommendations for a Congress on a necessary and thoughtful Federal aging policy. Senate Bill 705 is integral to that policy.

The demographics compiled by the Commission are staggering and highlight the importance of leadership at the Federal level to coordinate programs and identify opportunities for improving programs and service. Today, seniors comprise 12.4 percent of our population. That is 35 million people. By 2030, that number will have doubled. Seventy million seniors—20 percent of our population—may be accessing Federal programs to help meet their housing and service needs. The demand will be unprecedented. We are faced with a monumental task and a remarkable opportunity. To delay working toward a solution will leave us all—governments, providers, and families—in a state of crisis, unprepared to meet the needs of our seniors. Such a scenario will inevitably require extra resources, while leaving more and more of our elderly citizens to fall through the cracks due to overwhelmed, dated, financially strapped, divergent programs.

One of the Commission's primary recommendations was a call for the coordination of housing and health care among departments. Frequently it is during a time of crisis that seniors or their families are faced with, not one, but a maze of programs in order to get the necessary services and appropriate housing. Eighteen percent of seniors, 65 and older, almost 6 million people, who are not living in nursing homes have difficulty performing at least one activity of daily living (ADL's)—such as mobility, bathing, dressing, walking, eating, going to the bathroom, or one instrumental activity of daily living (IADLS)—such as preparing meals, assistance with financial management, and taking medications.

Stable, affordable housing settings are the cornerstone of service delivery. Home and community-based providers, such as Aging in America, serve seniors where they are. I cannot overstate the importance of bringing services to all housing settings, among all income levels. In 2020, among those seniors that will need assistance with at least one ADL or IADL will be 5.8 million homeowners, 1.5 million unsubsidized renters and 595,000 with some form of rental assistance. Of those seniors that own their homes, 44 percent have incomes of less than $25,000 per year and a significant portion are facing excessive housing costs and have homes that are not accessible and that require capital repairs. In addition to family and informal support networks, these seniors rely heavily on Federal programs. They face a multitude of needs, with varying resources, and will be significantly helped by Federal agencies that work together.

While the Federal and State governments did not set out to create a complicated, contradictory, sometimes duplicative system of programs and funding mechanisms for serving those that are the most in need, that is, unfortunately, what we have. Over several decades Congress has enacted various laws, establishing several programs, each with their own eligibility criteria, funding mechanism and regulations. All of these programs were created with the best intentions, to meet a real, critical need. They addressed insular problems, with little awareness or regard of other agencies and departments working with the same population.

Today, over half of our senior population is over 75 years old. We—the housing and service providers and Congress—have some experience with how older, frail seniors utilize housing and services programs. We know that the elderly do not experience their different needs in isolation—rather they experience them in what is all too often an overwhelming crisis that leaves them with unmet or underserved housing, health, or service needs. Too often the result is premature, publicly funded, costly institutionalization. With a comprehensive, coordinated system of Federal programs these seniors could be served in the most efficient manner, with programs based on need and not driven by outdated delivery mechanisms.

The Members of Congress are essentially problem solvers and so you must be thinking what we in the field are thinking—knowing what we know about existing programs, current problems, growing need, and diminishing resources—there has to be a better way to make sure that seniors can get the housing and services that they need. Senate Bill 705 is a significant step in that direction. This landmark legislation is the necessary next step to the Commission recommendation of coordinating programs by starting with a "common vocabulary, common age for eligibility, common definition of eligible populations, and standards for programs." Most importantly it will make coordination a Federal priority and give agencies an opportunity to identify barriers and weaknesses and refine programs to make sure that housing and service programs work together. Senate Bill 705 establishes the perfect mechanism by which Federal programs can be streamlined with Federal policy objectives in mind.

Across the country there have been State efforts to coordinate programs with some success. However, it is clear that the Federal dictates that govern the programs still need work. Successes at the State level are limited because the authority to change, modify, update regulations exists here in DC at the headquarters for HUD, CMS, VA, Labor, Transportation, and others. Senate bill 705 will guarantee that the Secretaries, or their designees, address and examine their programs in a new light, with common goals of coordination, efficiency, and service.

Chairman Shelby, Members of the Committee, I want to thank you for your time this morning. I would like to thank Senator Sarbanes for introducing legislation to take this first step in preparing for the dramatic increase in the number of seniors that we will see win the next two to three decades. As the head of an organization providing a multitude of services for the elderly, I can assure you this legislation is sorely needed to help our seniors, their families, caregivers, and providers in making sure that departments work collaboratively and purposefully toward a federally integrated system of housing and services.

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## PREPARED STATEMENT OF TERRY ALLTON

VICE PRESIDENT OF SUPPORT SERVICES, NATIONAL CHURCH RESIDENCES

JUNE 16, 2005

Good Morning Chairman Shelby, Ranking Member Sarbanes, and Members of the Committee. My name is Terry Allton and I am the Vice President of Support Services at National Church Residences, a nonprofit housing, services, and healthcare provider, based in Columbus, Ohio. National Church Residences has been dedicated to providing quality housing and supportive services at affordable prices to low and moderate-income seniors since 1961. NCR has over 225 communities throughout the United States and Puerto Rico, housing more than 15,000 low-income elderly, families and persons with disabilities. As a member of the aging and not-for-profit community we feel that it is our responsibility to share our experiences and input in the formation of public policy affecting those that we serve. I am excited to be here to talk to you about housing, supportive services and the need for Senate Bill 705.

National Church Residence's Department of Support Services is nationally recognized as a leader in the housing industry and our Quality Assurance program has won national awards as the most comprehensive program of its kind in the country. Our belief in the benefits of community-based services and supportive housing is demonstrated by our commitment to attempt to place service coordinators in 100 percent of our facilities. In the early 1990's, Congress enacted the Cranston-Gonzalez Act which authorized the service coordinator program. There have been appropriations since 1991 through HUD. This launched a profession with the sole purpose of addressing quality of life issues for the elderly offering possible options to age in place.

Our goal is to link residents with services that will allow them to remain independent, in their own homes and avoid premature institutionalization. We use a va-

riety of funding sources to pay for service coordination, including HUD funding and private grants. The primary function of a service coordinator is to work with service delivery systems, provide resource information, identify programs, and assist seniors through the labyrinth of regulations attributable to a multitude of government agencies. Our elderly residents typically do not know who supplies which services or that some services even exist.

National Church Residences is a founding organization of the American Association of Service Coordinators (AASC), a national, nonprofit organization representing more than 1,500 professional service coordinators who serve more than 400,000 low-income older persons and other special populations living in federally assisted and public housing facilities nationwide. Like others on this panel, NCR is an active member of AAHSA and its State affiliate, the Association of Ohio Philanthropic Homes, Housing and Services for the Aging (AOPHA). I am also here representing AASC as the current Chair of their Board of Directors. AASC has long urged that housing, health care, and other Federal support programs serving the elderly join together to better focus Federal policy and regulatory efforts, in conjunction with States and communities. Senate Bill 705 will do just that.

Before I talk about our service coordinator program, I would like to talk to about NCR's commitment to the preservation of affordable housing and serving residents as they age in place. NCR has long advocated for Congress to recognize the importance of preserving existing affordable housing and helping residents at risk of losing their housing as providers "opt-out" of HUD programs and sell or convert their properties to market rate. We are losing more senior housing than we are building. To date, more than 15,000 units of federally assisted senior units have been converted to market rents. According to GAO 20 of the 41 older Section 202 properties that will reach the end of their mortgage commitments by 2013, do not have rental assistance. This means that those seniors will be in a precarious position to meet their housing and service needs at a time when Federal, State, and local communities will have experienced several years of tight budgets and housing and services are so fragmented.

Housing and services go hand-in-hand for seniors aging in place. One without the other spells disaster for residents as they become frailer, with limited options and few resources. Service coordinators serve as a lifeline for seniors in all manner of housing settings and have become increasingly important part of our older senior housing communities, where people have lived for over 20 years, aging in place. For individual residents, service coordinators do on the local level, or at best try to do what this legislation would do at the Federal level by coordinating, what is frequently referred to as the "crazy quilt" of health, housing, and service programs utilized by seniors.

Service coordinators identify resident needs, work within the community to locate resources, provide limited case management, and organize health and wellness programs. Service coordinators also arrange homemaker services, transportation, and meals assistance. They offer one-on-one help for residents by providing intensive assistance with entitlement and benefit programs, insurance, Medicare, and Medicaid. Service coordinators act as a broker for services that are difficult to obtain through public resources and assist residents in securing the help that they need to live safely and independently through community agencies. Their role not only enhances quality of life issues faced by elders and their families, but may also influence the cost of caring for elders by keeping them in noninstitutional care longer.

The first stage of providing a continuum of housing and service choices for the elderly is in-home supportive services. Individuals with ample resources, many times, have easier access and a greater variety of choices in how and from whom services are acquired. Those living on a fixed income are more reliant on publicly funded services, governed by Federal departments and regulations that are frequently overburdened, financially restrictive, and severely limited, and often unable to meet the demands placed on the existing system. In addition, navigating through a system of segmented service providers and benefits is often difficult for older persons and their families. Service coordinators are the interagency council in action. Their lives and jobs will be made a lot easier by Senate Bill 705—not to mention what it will mean to seniors and family caregivers who may be unfamiliar with the aging services field.

NCR's Support Services Division has gone to great lengths to quantify the benefits of service coordinators. We continually monitor programs, offer training and track outcomes. We produce tools, such as a monthly report, a semi-annual report, and resident and manager surveys. NCR provides quality assurance to service coordinators working at 249 communities providing services to approximately 21,875 residents. Each service coordinator serves an average 87.9 residents. Over 28 percent of the residents are 80 years of age or older and over 38 percent are considered

"frail" or "at-risk", meaning they need assistance with 1–3 or more activities of daily living (ADL's) per day. A recent study performed by NCR found that service coordinator time is allocated accordingly:

- Advocacy to service agencies, management, and vendors on behalf of the residents: 16 percent;
- Helping residents with Benefits and Entitlements: 13.7 percent;
- Case management: 9.5 percent;
- Monitoring services: 8.6 percent;
- Referrals to Health Care Services: 6.4 percent;
- Conducting Assessments: 5.5 percent.

It is a testament to the benefit of service coordinators in housing settings that only 3.2 percent of their time is spent on crisis intervention.

In addition to navigating services, service coordinators help elderly residents take advantage of cost saving program opportunities, such as prescription drug discounts, phone bills, utility bills, supplemental insurance, medical equipment, and food. Seventy percent (70 percent) of our residents received two or more interventions by our service coordinators that resulted in cost savings of an average $2,944.40 per year per resident. Imagine how difficult it is for a senior living alone without access to a service coordinator.

Service coordinators also provide a cost saving benefit to our subsidized housing communities, by preventing unnecessary vacancies. The average cost for a vacancy in one of NCR's facilities is $1,732. Service coordinators help residents avoid potential eviction, undesired move-outs, and unnecessary placement at a higher, more costly level of care. In one study, we were able to establish that service coordinators in NCR facilities saved the properties an average of $2,393 per property over a 4-month period by making it possible for residents to remain in their homes, aging in place. One study shows that housing with home health care services costs approximately $60.00/day, while one day in assisted living costs $100/day, and a day in a skilled care facility costs $180/day. The cost-savings of in-home supportive services is staggering.

A preventative, expansive, affordable range of community-based services is essential to making our communities, our staffs, and our residents successful, but more can be done. The types of programs that our seniors rely on often come from Federal departments and agencies or state programs that are federally funded. From Transportation to HUD to CMS, we work with a staggering number of regulations and eligibility requirements. Under Senator Sarbanes' bill, the primary people responsible for all of these programs will be brought to the table. This bill will give leaders a chance to look at these programs with a bird's eye view in the context of senior housing, services, and long-term care. We in the industry have a number of ideas on how to make programs work better together. It would be far more beneficial to bring these issues to those that set and implement the policies that govern the programs.

Too often we spend time going from agency to agency and writing various headquarters offices, trying to make programs work together in order to meet our resident's needs. We have made some headway and the State and local agencies are eager to help, but the simple fact is that it is unnecessarily time consuming for us, and for the agency and department staff. I urge you to consider the benefits to establishing an interagency council and to support Senate Bill 705. Federal, State, and local governments are struggling with soaring costs related to caring for our seniors. This legislation will give the Federal Government and our policymakers an opportunity to create a workable solution to cost effective, noninstitutionalized long-term care—housing and services.

Chairman Shelby, Ranking Member Sarbanes, Members of the Committee, thank you for your time and consideration of this important piece of legislation. The Meeting the Housing and Services Needs Act is the first step in maximizing program effectiveness, addressing the need for Federal coordination of programs and most importantly, serving seniors where they are—in their homes. I urge you to act on this legislation before we face a system that is ill-prepared to serve the numbers of seniors in the future. Our Federal programs serve a very real need, a need that will continue to grow. Unfortunately, sometimes it seems that change takes a while with complicated programs. We cannot afford to wait. The commitment of the departments and agencies at the Federal level can make this work. Again, on behalf of NCR, our staff and residents, thank you for your time and work on important issue.

## PREPARED STATEMENT OF STEVE PROTULIS

EXECUTIVE DIRECTOR AND VICE PRESIDENT
ELDERLY HOUSING DEVELOPMENT AND OPERATIONS CORPORATION (EHDOC)

JUNE 16, 2005

Mr. Chairman, and Members of the Senate Committee on Banking, Housing, and Urban Affairs, my name is Steve Protulis, Executive Director of the Elderly Housing Development and Operations Corporation (EHDOC), a nonprofit development and management corporation based in Ft. Lauderdale, FL devoted to providing the best suitable and affordable housing for low and moderate income older persons. EHDOC currently has 42 senior housing facilities in 14 States, DC, and Puerto Rico for approximately 4,000 senior citizens; and has three additional properties under development. Most of our senior housing facilities are financed through the Section 202 program.

First of all, I would like to express my appreciation to you, Senator Shelby, for your leadership in convening this very timely hearing on S. 705, legislation to establish the Interagency Council on Meeting the Housing and Service Needs of Seniors. I am pleased that my State's Senator, Mel Martinez is a Member of this Committee. Not only because he is a compassionate person with practical housing experiences, but he also has a unique perspective of the need for interagency collaboration as the former Secretary of HUD.

I would like to start my testimony by telling a story of Marie, a frail, older resident who had lived for 14 years in one of our four senior housing communities in southern Florida. She called our service coordinator crying because she had no other family members or friends to help her and she did not want to go to a nursing home as her doctor indicated that she would. Her level of frailty and income qualified her for Medicaid. The service coordinator linked her with a community agency that specializes in a comprehensive health care program for frail elderly—a Program of All-Inclusive Care for the Elderly (PACE). As a result of the collaboration between the senior housing and the Florida PACE Centers, the resident who was previously at-risk of going to a nursing home, could continue to live in our senior housing facility, attend the PACE healthcare center and receive needed assistance 7 days a week, which achieved Marie's choice to remain in her home with dignity and independence.

This is just one example of the mutual benefits of collaboration between housing, services, and health care that enables an older person to achieve their choice to age in place, while at the same time saving public funds. There are countless other stories in EHDOC's properties, and the other organizations testifying today, of frail older persons struggling to age in place. My testimony today will focus on some of EHDOC's experiences as well as my observations as one of the 14 members of the Congressional appointed Seniors Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century. The final report, "A Quiet Crisis in America", was presented to this Committee on June 27, 2002.

### Seniors Commission

I would like to publicly thank Senator Paul Sarbanes for the honor of being his appointee to the Seniors Commission and for his leadership with introducing S. 705, Meeting the Housing and Service Needs of Seniors Act As may be evident by the attendance of many older residents from Council House, an EHDOC community of 160 units in nearby Marlow Heights, Maryland, Senator Sarbanes has earned much respect and admiration for being a champion for senior citizens.

As we discuss today the issues outlined in Senator Shelby's invitation letter regarding housing and service needs of seniors, and how these programs can be better coordinated, we must always be mindful of the faces behind the data, and involve older persons in our deliberations. One of the most gratifying experiences of the Seniors Commission was the opportunity to hear compelling testimony directly from senior citizens at each of our field hearings held around the country.

The one consistent message that was repeatedly heard by the Seniors Commission from seniors, as well as from policymakers and other professional experts, was the desire of seniors to age in place. It is appropriate that one of the key objectives of the proposed Interagency Council on Meeting the Housing and Service Needs of Seniors is to facilitate the aging in place of seniors, as well as to improve coordination between housing and services.

The findings and demographic information highlighted in Section 2 of the S. 705, and the fact sheet provided for these hearings provide forceful data to justify the need to establish the Interagency Council. These findings identified in the bill, are reinforced by the extensive research and documentation by the Seniors Commission,

including a thorough analysis of projected housing and services needs provided in the appendix. The Commission reported that 53 million Americans (one in six) will be aged 65 and older in 2020, which will represent 20 percent of the population (compared to 12.4 percent when the report was issued in 2002). That significant increase and the need for Americans to prepare for the changing demographics represent a "Quiet Crisis is America" which is the apt title of the final report from the Senior Commission.

A substantial number of older residents in federally assisted housing are women living alone with some physical or cognitive limitations. The Seniors Commission reported that about a third of residents over the age of 65 require some assistance. For those aged 75 and older, this rose to 36 percent and 11 percent with mental disability that seriously interfered with their everyday activities. However, for the lowest income of the group, with income under 150 percent of poverty level, they are especially vulnerable with almost 214,000 or over 42 percent having at least one limitation with activities of daily living. The average age nationally of low-income residents of Section 202 elderly housing in 1999 was 75.

While these national figures may be helpful for public policy, for operations it is vital that the data be considered at the community and facility level where the data is far more meaningful. Nationally, the average age of residents in EHDOC facilities is 79 and increasing annually; we have facilities where the average age is 80 (Florida). The desire of older persons to age in place is certainly reflective of the number of years that they remain in federally assisted housing. Many of EHDOC residents have lived at properties in many States including Florida, Illinois, and Pennsylvania for over 20 years—from the time the senior housing facility was first opened. A few months ago, one of our residents in Ohio celebrated her 101st birthday—centurions are becoming more frequent. She has a regular exercise routine and participates in the weekly exercise class offered at our property—that is aging in place. At one of our properties in New Hampshire, 50 percent of the residents are over the age of 85, including one 98 years of age.

As documented by the Seniors Commission, the need for supportive services is reflected by the number of persons who are considered frail or at risk. In Florida, for example, of our 620 units in four facilities, 37 percent of the residents are considered frail and 41 percent are at risk. This translates to approximately 78 percent of the residents needing supportive services. In Pennsylvania, of the 348 units in five buildings, 22 percent of residents are rated as frail and 29 percent at risk; or over half of all residents needing services to maintain their independent living.

When considering the types of services that older residents of federally assisted senior housing need, (based on a survey of a small sample of facilities in Florida), the Seniors Commission reported that two of the top three most important services related to transportation. The need to collaborate between senior housing and transportation might be of interest to the Housing and Transportation Subcommittee. Seniors stated that transportation to and from doctor's office (15 percent), and for grocery shopping (14 percent) was a priority need. When asked if they had a problem getting affordable transportation to places (not within walking distance), over 25 percent of the elderly indicated that they had a problem always or most of the time and 15 percent some of the time. The number one service need reported was physical modifications to the facility or their apartment, that is, hand-rails, grab-bars in bathrooms. Over a third reported that they had no person that they could rely upon for their health and disability-related problems, and 16 percent said they only had someone they could rely upon occasionally.

Dr. Stephen Golant, University of Florida, a senior issues specialist who conducted for the Seniors Commission an extensive research paper on demographics and future housing needs of older americans (included in the Appendix of the final report), is presenting a paper to the Commonwealth Fund and AcademyHealth Forum next month. As he will be reporting on emerging relationships between senior housing and long-term care, when informal care giving assistance becomes inadequate, lower-income, older adults must turn to public sector solutions. (This is when), they are likely to confront administrative or organizational barriers that make it difficult for them to bundle together the benefits and services they need to age in place successfully.

Dr. Golant's report also advises that not having access or knowledge of services, lack of funds, and the time and inconvenience it takes to secure services are important drawbacks in getting seniors the help they need. In addition, the qualifications/eligibility may be different for each service. The paperwork alone can deter a person from seeking the services they need.

Clearly, as often testified before the Seniors Commission, there are a number of existing barriers that are making it very difficult for some older persons, their caregivers, professional staff, and others to assist older residents to access a range of

supportive services. The Seniors Commission identified a number of major barriers to linking housing and services, including the traditional distinct roles of various Federal departments, such as HUD, focusing on a safe, decent, and affordable place to live, that is, to provide a roof over seniors heads—but not to provide the types of services essential for enabling aging in place and/or quality of life for older residents.

Some of these barriers are the types of actions that can be addressed by the proposed Interagency Council on Housing and Service Needs of Seniors. For example, the Commission identified a number of administrative and organizational barriers caused by different government programs, levels of government, different types of providers (public, private, or nonprofit), different funding streams. As characterized in the final report, . . . "housing and service needs of seniors traditionally have been addressed in different 'worlds' that often fail to recognize or communicate with each other . . . while policymakers have struggled to be to be responsive to the needs of seniors, the very structure of Congressional Committee and Federal Agencies often makes it difficult to address complex needs in a comprehensive and coordinated fashion. For example: Medical needs of seniors are addressed by Medicare and Medicaid; social services needs are address by Medicaid, the OAA (Older Americans Act), and other block grant programs; housing programs are administered by HUD and the Department of Agriculture's Rural Housing Services (RHS); and transportation programs are administered by the U.S. Department of Transportation."

**Future of the Interagency Council on Housing and Service Needs for Seniors**

I believe that the various functions identified in Section 5 of S. 705 for the Interagency Council will significantly contribute to forging better communication and collaboration between the various Federal agencies (as identified in Section 4c of the bill) involved with housing, services and health care, as well as between the Federal Government with State and local governments and with the private sector. For example, the Council could examine ways to promote increased collaboration by making more compatible the different income eligibility to participate in some HUD and HHS programs. HUD and USDA/RHS could collaborate with the Department of Health and Human Services/Center for Medicare and Medicaid Services (HHS/CMS) in working with States and local communities to ensure suitable and affordable housing is available in communities seeking to develop Home and Community-Based Services either in response to the Supreme Court, *Olmstead Decision* requiring community options for persons with disabilities or as part of the Administration's New Freedom Initiative. The Interagency Council could facilitate a means to implement the various recommendations of the Seniors Commission: To provide a means to streamline counterproductive regulations; to compile and exchange data, research, and technologies; or a "one-stop-shop" for best practices or to foster the development of innovative or cross-cutting models. As the Commission reported, "the Nation can no longer afford the inefficiency of the current disconnect between housing and health services systems for seniors." The time has come for coordination among Federal, State , and local agencies and administrators. The establishment of the Interagency Council could help improve efficiency among the various Federal agencies within the existing structure.

While some could argue that the benefit of the Interagency Council is saving costs—and perhaps even could be self-financed by recycling cost savings, I believe that the focus of this effort should not be saving money, but rather on saving lives. Remember my first story of Marie, the frail, older lady in Florida who was able to remain in her home through effective collaboration between the housing provider and the health care provider? The Interagency Council could help promote the replication of models like this as a means to save the life of another older person in another facility (or own home). The Program for All-Inclusive Care for the Elderly (PACE) program is administered by States and funded through Medicaid and Medicare for a wide range of health care and services, but does not have HHS funds for the physical structure to house a PACE center. Some federally assisted and public housing may have a number of frail residents who could benefit from the PACE program, but do not have HUD funds nor desire to operate the PACE program. However, if there should be surplus space in or adjacent to the housing facility to enable the colocation of a PACE center, it is a win-win situation for the frail elderly, the housing provider, the PACE provider and taxpayers. The Interagency Council could help expedite the development of both the PACE and Center space as well as transportation through uses of more flexibility with existing funds.

**Service Coordinators**

One of the key recommendations of the Seniors Commission for forging increased collaboration between senior housing and services is the staffing of service coordinators. I am pleased that Terry Allton is here to testify on behalf of the American Association of Service Coordinators (AASC) where I am honored to serve on the Board. I am pleased that EHDOC has a service coordinator for nearly all of our 42 properties. In our website: *www.ehdoc.org* we include a copy of our Newsletter, *New Dimensions,* that includes a Service Coordinator Page with quarterly examples of exemplary efforts of service coordinators assisting seniors to age in place. The following are two examples where our service coordinators have not only assisted vulnerable frail elderly to remain in their home as they desired, but also saved public funds.

*Council House, Marlow Heights, MD*—One of our residents, Edna, stopped socializing as much as she used to. She had such severe leg pain that even using a walker was not possible. She seemed to be slipping into a depression because she was confined to her apartment. The Service Coordinator suggested that we get her a wheelchair, but she said that she would not be able to push herself around because she is too weak in her upper body.

The Service Coordinator told her about another option that could work. We contacted a company that has motorized, compact scooters. We ordered one and Medicare paid for it. Edna now "drives" herself everywhere. She is much happier now that she can again go outside, come down to bingo, come down to lunch where she plays cards with friends, attend religious services, etc. Her fear was that she would become so immobilized that she would have to move to a nursing home.

By keeping this resident mobile so she could live at home, we saved Medicare over $10,000 the State of Maryland nearly $40,000 plus additional savings with other Government programs and significantly reduced costs to the low-income, older person. These estimates are based on the average cost of nursing homes in Maryland over the 2 years that Edna has been able to continue to live at Council House since getting the scooter.

*Mildred and Claude Pepper Towers, Miami, FL*—Our service coordinator has helped link our frail residents into the State's Channeling program to enable them to continue to live independently in their apartments. For example, the program has helped one of our resident's, Fannie, by providing a visiting nurse and home health aide to conduct daily cleaning activities, medications ands home delivered meals, thus saving the government tens of thousands in the 2 years that she has been in the program. Before Fannie was linked with this program, she thought she would have to go into a nursing home.

Despite the ample documentation of the cost effectiveness of service coordinators in enabling frail elderly to access community services, it may require an investment in one department (HUD) to save money in another (HHS). Unfortunately, funding for service coordinators in Federally assisted senior housing, as well as with public housing, is woefully inadequate to ensure that facilities providing affordable housing for low and moderate income elderly have sufficient resources to include service coordinators as part of the operating budget of federally assisted and public housing. The Interagency Council could facilitate actions that both agencies would find mutually beneficial, including interagency training, access to timely information, technologies, or best practices.

**Private Sector Collaboration**

One of the issues that Chairman Shelby asked us to address was the role of the private sector with housing and services needs of seniors. Rightfully so, considering that senior housing and services is big business: Jobs, consumer products, taxes, etc. Senior housing and services has a symbiotic partnership with the private sector. The Seniors Commission examined a number of issues that need the active involvement of the private sector with housing and services, including increased role for Government Sponsored Enterprises (Fannie Mae, Freddie Mac), bonds, and various tax incentives. With the present rapidly escalating housing costs and tight local markets, many federally funded facilities that could be used for affordable senior housing are being lost through conversions to condos.

Given the demographics, the limited Federal funding for Section 202 and other affordable senior housing, and long waiting list for most facilities (nationwide EHDOC has over 4,200 seniors waiting for affordable housing—more than those who currently resident in our facilities), we need to create additional means to finance the development and preservation of affordable senior housing. Some existing buildings could be acquired through public-private partnership, rehabilitated, add enhanced services, and reposition in the community as mixed-financed, mixed-use, and mixed-income senior housing, as part of a community long-term care strategy.

We clearly need effective interagency collaboration with the GSE's, HUD, IRS, State housing finance agencies, banks, State and local government, and the private sector.

EHDOC could not function without partnering with the private sector. For example, we have been successful in work with Homeward Bound to provide 100 hours of free personal care aids to residents in New York; Verizon Corporation, BellSouth, and SBC for donations in excess of $100,000 in computers for seniors to be connected to today's technology, and the Pequot Indians Prescription Drug Program which provides prescription medication to EHDOC seniors at the lowest possible costs.

In addition to the efforts of our service coordinators brokering linkages between senior residents with a myriad of public and private community agencies, EHDOC has established a program to promote collaboration between our residents, our facility, and the local community. Our Community Action Program (CAP) is designed to encourage active participation between seniors and their community. We promote volunteers both by our resident's involvement within the community, as well as by community organizations and individuals to assist our residents. Again, our website provides an on-gong listing of local programs in our newsletter. One of the recent examples of CAP which we take much pride, was action taken by our residents in response to the devastation caused by the Tsunami. Our low-income, older residents conducted bake sales and other fund raising activities (some with local private sector matches), and were able to raise and donate $25,000 to survivors. Not only would an Interagency Council be helpful with our local, State, or national efforts by exchanging timely information nationwide, but now also worldwide. I will be discussing our CAP program in Norway next week as part of the International Association of Homes and Services for the Aging (IAHSA).

One final comment on the private sector and S. 705 to establish the Interagency Council on Meeting the Housing and Service Needs of Seniors, I would like to suggest that we borrow a phrase by the Nike Corporation . . . "Just Do It!" I believe that the establishment of the Interagency Council is the next step building upon the wealth of testimonies, research, data, best practices, and countless hours of deliberations of the Seniors Commission. It was the wisdom of the Congress in establishing the Seniors Commission to give us an 18-months deadline. I believe that the final report provides ample justification for the need to increase interagency and public and private collaboration in meeting the housing and services needs of rapidly increasing elderly population. While it was challenging, we met the deadline, and delivered our final report and recommendations to this Committee at hearings held on June 27, 2002 before Senator Sarbanes and the Banking, Housing, and Urban Affairs Committee. I am pleased that the Committee arranged for the final report, as well as the proceeding of the hearings and related actions to be available at *www.seniorscommission.gov*. I would like to request that the Committee take additional actions to ensure the extensive demographic research paper is also inserted into the website. I am pleased that the Commission was identified as a contributing factor in the introduction of this important and timely legislation. I am encouraged that the establishment of the Interagency Council on Meeting the Housing and Service Needs of Seniors will provide a means to address and implement its comprehensive list of recommendations.

My final comment would be to think like Nike of the private sector: "Just Do It! At EHDOC we have modified this phrase to: "Feel It (in your heart), Think it (do your homework), and Do it (take timely actions). I would urge your quick passage of this bill to establish the Interagency Council on Meeting the Housing and Service Needs for Seniors; and urge your support to ensure its quick enactment during this 109th Congress. Thank you.

United States Government Accountability Office

GAO

Testimony

Before the Senate Committee on Banking, Housing, and Urban Affairs

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# ELDERLY HOUSING

## Federal Housing Programs and Supportive Services

Statement of David G. Wood, Director
Financial Markets and Community Investment

GAO-05-795T

GAO
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# Highlights

Highlights of GAO-05-795T, a testimony to the Senate Committee on Banking, Housing, and Urban Affairs

June 16, 2005

## ELDERLY HOUSING

# Federal Housing Programs and Supportive Services

### Why GAO Did This Study

According to a congressionally established bipartisan commission, decreased investment in affordable housing and an elderly population that is projected to grow from about 12 percent of the population in 2002 to 20 percent by 2030 are likely to increase the number of elderly who must spend large portions of their incomes on housing. Moreover, according to this commission, more than one-third of the elderly tenants of government-subsidized housing require assistance with some type of activity of daily living, such as making a meal or getting in and out of bed.

This testimony, which is based on a report issued in February 2005, discusses (1) the federal housing assistance programs requiring that supportive services be made available to elderly residents, (2) other Department of Housing and Urban Development (HUD) programs that assist the elderly in obtaining supportive services, and (3) private partnerships and federal health care programs that may provide supportive services to elderly beneficiaries of federal housing assistance.

www.gao.gov/cgi-bin/getrpt?GAO-05-795T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact David G. Wood at (202) 512-8678 or woodd@gao.gov.

### What GAO Found

Of the 23 housing assistance programs GAO reviewed, only 4 require the owners of participating properties to ensure that services such as meals or transportation are available to residents. Three are HUD programs: the Section 202 Supportive Housing for the Elderly Program, which subsidizes multifamily properties for elderly households with very low incomes; the Assisted Living Conversion Program, which subsidizes the conversion of HUD-subsidized multifamily properties into assisted living facilities; and the Section 232 Mortgage Insurance Program, which insures mortgages for licensed facilities that provide varying levels of skilled care and services. USDA's Section 515 Rural Rental Housing Loan program, which makes loans for the construction and rehabilitation of rural multifamily properties, has a Congregate Housing Services subprogram that requires the provision of supportive services.

HUD administers four programs that can be used with various housing programs to help the elderly with supportive services:

- Congregate Housing Services Program, which provides grants for the delivery of meals and nonmedical supportive services to elderly and disabled residents of public and multifamily housing;
- Neighborhood Networks Program, which encourages the development of computer centers in HUD-supported housing;
- Resident Opportunities and Self Sufficiency (ROSS) Program, which links public housing residents with services; and
- Service Coordinator Program, which funds coordinators who help elderly residents access services such as transportation and health care at some multifamily properties.

Supportive services may also be available to elderly residents of subsidized housing through partnerships between individual properties and local organizations and through Department of Health and Human Services (HHS) programs. For example, HHS's Public Housing Primary Care Program provides public housing residents with access to affordable primary and preventive health care through clinics that are located in or near the properties. GAO did not obtain data on the extent to which such services are made available.

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to be here today as the Committee considers ways to promote coordination among federal programs that provide housing and other services to the elderly. According to the report of the congressionally established Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century, decreased investment in affordable housing and a burgeoning elderly population that is projected to grow from about 12 percent of the population in 2002 to 20 percent by 2030 are likely to increase the number of elderly who must spend large portions of their incomes on housing.[1] Moreover, according to the Commission, about a third of the elderly tenants of government-subsidized housing required assistance with some type of activity of daily living, such as preparing meals or getting in and out of bed or a chair.

My statement is based largely on our recent report to the Senate's Special Committee on Aging, which requested that we identify federal programs that provide housing assistance to the elderly and the extent to which supportive services, such as meals and transportation, were affiliated with these programs.[2] Beginning in the 1930s, a number of federal housing programs have subsidized the construction of housing for the poor, provided rental assistance to tenants in existing privately owned housing, and insured mortgages for both single- and multifamily properties. Today, the Department of Housing and Urban Development (HUD) administers the majority of federal housing assistance programs in urban areas, and the U.S. Department of Agriculture's (USDA) Rural Housing Service (RHS) implements housing programs in rural areas. Among the programs they administer are a number that either target the elderly specifically or provide benefits for which the elderly are eligible. My statement discusses (1) housing assistance programs that serve the elderly and require that supportive services be made available to elderly residents, (2) other HUD programs that can be used in conjunction with housing programs to assist the elderly in obtaining supportive services, and (3) private partnerships

[1]Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century, *A Quiet Crisis in America* (Washington, D.C.: June 30, 2002). Available at http://www.seniorscommission.gov.

[2]GAO, *Elderly Housing: Federal Housing Programs That Offer Assistance for the Elderly*, GAO-05-174 (Washington, D.C.: February 14, 2005). For this report, we defined elderly as individuals aged 62 and older.

and federal health care programs that may provide some services in conjunction with federally assisted housing.

In preparing this information, we consulted with HUD and USDA officials to identify housing assistance programs that benefit the elderly. We reviewed laws and regulations to determine which of the housing assistance programs within our scope were required to ensure that supportive services were available. We identified programs providing supportive services that could be used with various housing assistance programs, whether or not such services were required. We reviewed literature and descriptions of housing assistance programs and interviewed administrators of the housing assistance programs within our scope, as well as representatives of advocacy organizations and professional associations interested in elderly housing issues and supportive services. We obtained descriptions of the supportive services programs by interviewing and obtaining documentation from officials from HUD, USDA, and the Department of Health and Human Services (HHS). We performed our work in Baltimore, Maryland; Greensboro and Raleigh, North Carolina; Columbus, Ohio; Oklahoma City and Stillwater, Oklahoma, and Washington, D.C., between December 2003 and December 2004 in accordance with generally accepted government auditing standards.

In brief:

- Of 23 federal housing assistance programs that we reviewed, only 4 required property owners to ensure that services such as meals or transportation were available to their residents. Three are HUD programs: the Section 202 Supportive Housing for the Elderly Program, which subsidizes the development and operating costs of multifamily properties for elderly households with very low incomes; Assisted Living Conversion Program, which subsidizes the conversion of HUD-subsidized multifamily properties into assisted living facilities; and Section 232 Mortgage Insurance Program, which insures mortgages for licensed facilities that provide varying levels of skilled care and services. In addition, USDA's Section 515 Rural Rental Housing Loan program, which makes loans for the construction and rehabilitation of rural multifamily properties, has a Congregate Housing Services subprogram that requires the provision of supportive services.

- HUD administers four service-related programs that can be used in conjunction with various housing programs to assist the elderly in obtaining supportive services: the Congregate Housing Services Program,

which provides meals and other services in public and multifamily housing properties; the Neighborhood Networks Program, which provides resources for establishing computer networks at these sites; and the Resident Opportunities and Self Sufficiency (ROSS) and Service Coordinator programs, which link residents with services in the community.

- Supportive services may also be available to elderly residents of subsidized housing through partnerships between individual properties and local organizations and through programs provided by HHS. For example, HHS's Public Housing Primary Care Program provides public housing residents with access to affordable comprehensive primary and preventive health care through clinics that are located either in or near public housing properties.

## Background

Beginning in the 1930s, a number of federal housing programs have provided assistance to low-income renters and homeowners, including rent subsidies, mortgage insurance, and loans and grants for the purchase or repair of homes. Housing developments can be assisted by multiple programs. For example, a loan or mortgage on a multifamily property may be insured through a HUD or USDA program, and the property may have tenants that receive rental assistance from these agencies. In our earlier report, we identified a total of 23 federal housing programs that target or have special features for the elderly.[5] Of these programs, 2 are intended for the elderly only, 3 target the elderly and disabled, and another 18 have special features for the elderly, such as income adjustments that lower elderly households' rental payments. Appendix I lists these housing assistance programs.

In general, both HUD and USDA programs target families at lower income levels. HUD programs target families with incomes that are extremely low (no more than 30 percent of an area's median), very low (no more than 50 percent of an area's median), and low (no more than 80 percent of an area's median). USDA programs also target families with incomes that are very low and low. In addition, some USDA programs target families with moderate incomes (no more than 115 percent of an area's median). However, these programs do not reach all needy households, and waiting

[5] GAO-02-174.

lists for many types of subsidized housing, including housing for the elderly, are often long.

HUD has specific goals for increasing housing opportunities for the elderly, including one goal specifically related to supportive services. As outlined in its fiscal year 2004 Annual Performance Plan, these goals include (1) increasing the availability of affordable housing for the elderly, (2) increasing the number of assisted-living units, (3) increasing the number of elderly households living in privately owned, federally assisted multifamily housing served by a service coordinator, and (4) increasing elderly families' satisfaction with their Section 202 units. USDA does not have specific goals related to the elderly in its fiscal year 2004 Annual Performance Plan.

As GAO has previously reported, virtually all the results that the federal government strives to achieve require the concerted and coordinated efforts of two or more agencies. This shared responsibility is an outgrowth of several factors, including the piecemeal evolution of federal programs and service delivery efforts.[4] Achieving results on public problems, such as the potentially large service needs of a growing elderly population, increasingly calls for effective interagency coordination. However, our work has shown that a number of barriers inhibit coordination among agencies. For example:

- In reporting on the coordination of programs for the homeless, we noted that the federal government's system for providing assistance to low-income people is highly fragmented. Each federal assistance program usually has its own eligibility criteria, application, documentation requirements, and time frames; moreover, applicants may need to travel to many locations and interact with many caseworkers to receive assistance.[5]

- A review of federally assisted transportation services for "transportation-disadvantaged" seniors (who are more likely to have difficulty accessing transportation due to physical ailments) found that 5 federal agencies administer 15 programs. Service providers told GAO that certain characteristics of federal programs, such as what the providers view as

[4]GAO, *Managing for Results: Barriers to Interagency Coordination*, GAO/GGD-00-106 (Washington, D.C.: March 29, 2000).

[5]GAO, *Homelessness: Improving Program Coordination and Client Access to Programs*, GAO-02-435T (Washington, D.C.: March 6, 2002).

burdensome reporting requirements and limited program guidance, can impede the implementation of practices that enhance senior mobility.[6]

- More generally, we have noted the range of barriers to coordination that agencies often face, including missions that are not mutually reinforcing or that may even conflict; concerns about protecting jurisdiction over missions and control over resources; and incompatible procedures, processes, data, and computer systems.[7]

## Four Housing Assistance Programs Require That Supportive Services Be Made Available to Elderly Residents

Generally, HUD and USDA's housing assistance programs are not required to provide supportive services to the elderly. Of the 23 housing assistance programs that target or include the elderly among potential beneficiaries, only 4 require the owners of properties developed under the programs to ensure that supportive services are available. Appendix II provides summaries of the four programs, which include:

- HUD's Section 202 program, which subsidizes the development and operating costs of multifamily properties for elderly households with very low incomes. It is the only federal housing program that targets all of its rental units to very-low-income elderly households. Applicants for Section 202 funding must demonstrate that services will be available at the development or in the community where new construction is proposed.

- HUD's Assisted Living Conversion Program, which provides private nonprofit owners of eligible properties with grants to convert some or all of their units into assisted living facilities for the frail elderly. The reconfigured facilities must include enough community space to accommodate a central kitchen or dining area, lounges, and recreation and other multiple-use areas. The facilities must provide supportive services such as personal care, transportation, meals, housekeeping, and laundry.

- HUD's Section 232 Mortgage Insurance Program, which provides mortgage insurance for the construction or substantial rehabilitation of nursing homes (facilities that provide skilled nursing care and have 20 or more beds); intermediate care facilities (those that provide minimum but continuous care and have 20 or more beds); board and care homes

[6]GAO, *Transportation-Disadvantaged Seniors: Efforts to Enhance Senior Mobility Could Benefit from Additional Guidance and Information*, GAO-04-971 (Washington, D.C.: August 30, 2004).

[7]GAO/GGD-00-106.

(facilities that provide room, board, and continuous protective oversight and have at least 5 accommodations); and assisted living facilities (those with 5 or more units designed for frail elderly persons who need assistance with at least 3 activities of daily living). All insured facilities must provide supportive services, but these services vary according to the type of facility.

- USDA's Section 515 Program, which provides loans to construct or to purchase and substantially rehabilitate multifamily rental or cooperative housing and recreational facilities in rural communities. Tenants eligible to live in program properties may also receive rental assistance through HUD or USDA programs. The Congregate Housing subprogram funds the development of assisted, group living environments that must provide meals, transportation, housekeeping, personal services, and recreational and social activities.

Generally, HUD and USDA do not provide funding for the services required under these housing programs.[8] The property owners typically obtain other funds, either from federal programs, local charities, and civic groups to provide supportive services or must ensure that appropriate services are available in the community.

## Other HUD Programs Can Assist the Elderly in Obtaining Supportive Services

HUD administers four service-related programs that can be used in conjunction with subsidized housing programs: two programs that provide supportive services to residents of public and multifamily properties developed under HUD programs, and two that link residents to supportive services. None of these programs are targeted exclusively to the elderly, but they either can be used in properties designated for the elderly or offer funding specifically for services for the elderly.

- The Congregate Housing Services Program provides grants for the delivery of meals and nonmedical supportive services to elderly and disabled residents of public and multifamily housing, including USDA's Section 515 housing. While HUD provides up to 40 percent of the cost of supportive services, grantees must pay at least 50 percent of the costs, and program

[8]Under the Section 202 capital advance program, if a sponsor indicates that at least 25 percent of tenants are expected to be frail elderly, HUD allows the sponsor to use funds from the project rental assistance contract to pay for a service coordinator. A portion of the funds (up to $15 per month per unit) may also be used to cover some of the cost of supportive services.

participants pay fees to cover at least 10 percent.[9] Like the Elderly/Disabled Services Coordinator Program under ROSS, the Congregate Housing Services Program has provided no new grants since 1995, but Congress has provided funds to extend expiring grants on an annual basis.

- The Neighborhood Networks program encourages property owners, managers, and residents of HUD-insured and -assisted housing to develop computer centers. Although computer accessibility is not a traditional supportive service for the elderly, a senior HUD official noted that having computers available enhances elderly residents' quality of life. HUD does not fund each center's planned costs but encourages property owners to seek cash grants, in-kind support, and donations from sources such as state and local governments, educational institutions, private foundations, and corporations.[10]

- The ROSS grant program links public housing residents with appropriate services. This program differs from the Service Coordinator Program in that it is designed specifically for public housing residents. The ROSS program has five funding categories, including the Resident Service Delivery Models for the Elderly and Persons with Disabilities (Resident Services) and the Elderly/Disabled Service Coordinator Program. Resident Services funds can be used to hire a project coordinator; assess residents' needs for supportive services and link residents to federal, state, and local assistance programs; provide wellness programs; and coordinate and set up meal and transportation services. The Elderly/Disabled Service Coordinator Program has not provided new grants since 1995 but still services existing grants.[11]

- The Service Coordinator Program provides funding for managers of multifamily properties designated for the elderly and disabled to hire coordinators to assist residents in obtaining supportive services from community agencies. These services, which may include personal assistance, transportation, counseling, meal delivery, and health care, are intended to help the elderly live independently and to prevent premature and inappropriate institutionalization. Service coordinators can be funded

[9]Fees cannot exceed 20 percent of an individual's adjusted income.

[10]Grant funding for Neighborhood Networks centers can also be provided to public housing authorities through HUD's Office of Public and Indian Housing.

[11]In fiscal year 2004, new grants for the program were funded through the Public Housing Operating Fund.

through competitive grant funds, residual receipts (excess income from a property), or rent increases. According to HUD's fiscal year 2003 Performance and Accountability Report, service coordinators were serving more than 111,000 units in elderly properties.

## Private Partnerships and Federal Health Care Programs May Provide Some Supportive Services

Elderly residents of public and federally subsidized multifamily housing can also receive supportive services through partnerships between property owners and local organizations and through programs provided by HHS. For example, property owners can establish relationships with local nonprofit organizations, including churches, to ensure that residents have access to the services that they need. At their discretion, property owners may establish relationships that give the elderly access to meals, transportation, and housekeeping and personal care services. Although GAO did not obtain data on the extent to which such services are made available at all public and federally subsidized multifamily housing, in site visits to HUD and USDA multifamily properties, we found several examples of such partnerships:

- In Greensboro, North Carolina, Dolan Manor a Section 202 housing development—has established a relationship with a volunteer group from a local church. The volunteer group provides a variety of services such as transportation for the residents.

- In Plain City, Ohio, residents of a Section 515 property called Pleasant Valley Garden receive meals five times a week in the community's senior center (a $2 donation is suggested). A local hospital donates the food and a nursing home facility prepares it. Volunteers, including residents, serve the meals. The senior center uses the funds collected from the lunch for its activities. In addition, local grocery stores donate bread products to the senior center daily. The United Way provides most of the funding for the senior center.

- In Guthrie, Oklahoma, Guthrie Properties—also a Section 515 property—has established a relationship with the local Area Agency on Aging. The agency assists residents of Guthrie Properties in obtaining a variety of services, including meals and transportation to a senior center.

Some elderly residents of public and federally subsidized housing may also obtain health-related services through programs run by HHS. For example, HHS's Public Housing Primary Care Program provides public housing residents with access to affordable comprehensive primary and preventive health care through clinics that are located either within public housing

properties or in immediately accessible locations. The program awards grants to public and nonprofit private entities to establish the clinics. The organizations must work with public housing authorities to obtain the physical space for the clinics and to establish relationships with residents. Currently, there are 35 grantees, 3 of which are in rural areas. According to a program administrator, although clinics are not specifically geared toward public housing designated for the elderly, they can be established at such properties.

Elderly residents of federally subsidized housing may also be eligible for the Medicaid Home and Community-Based Services (HCBS) Waiver Program, which is administered by HHS's Centers for Medicare and Medicaid Services. Through this waiver program, individuals eligible for Medicaid can receive needed health care without having to live in an institutional setting.[12] HUD has identified these waivers as an innovative model for assisting the frail elderly in public housing.

In addition, eligible elderly residents of federally subsidized housing may receive health care through the Program of All-Inclusive Care for the Elderly (PACE), which is also administered by the Centers for Medicare and Medicaid Services.[13] Like the HCBS waiver program, this program enables eligible elderly individuals to obtain needed services without having to live in an institutional setting. The program integrates Medicare and Medicaid financing to provide comprehensive, coordinated care to older adults eligible for nursing homes. Figure 1 provides information on the housing assistance programs that can use federally funded supportive services programs that assist the elderly.

[12]In order to be eligible for health care services through the HCBS waiver program, individuals must meet a "level of care" requirement that varies by state but that typically is measured by standards of care for either hospitals, nursing facilities, or intermediate care facilities for persons with mental retardation.

[13]PACE participants must be at least 55 years old, live in the service area, and be certified as eligible for nursing home care by the appropriate state agency.

**Figure 1: Housing Assistance Programs That Can Use Federally Funded Supportive Services Programs**

| | Agency | Programs | Congregate Housing Services Program | Neighborhood Networks | Resident Opportunities and Self Sufficiency | Service coordinator |
|---|---|---|---|---|---|---|
| Targeted to the elderly | USDA | Section 504 Rural Housing Repair and Rehabilitation Grants | | | | |
| | HUD | Section 202 Supportive Housing for the Elderly | ● | ● | | ● |
| Targeted to the elderly and the disabled | HUD | Assisted Living Conversion Program | | | | ● |
| | | Section 231 Mortgage Insurance for the Elderly | | | | |
| | | Section 232 Mortgage Insurance for Nursing Homes, Intermediate Care, Board and Care, and Assisted Living Facilities | | | | |
| With special features for the elderly | USDA | Section 502 Rural Housing Loans (Direct) | | | | |
| | | Section 502 Direct Housing Natural Disaster Loans | | | | |
| | | Section 502 Guaranteed Rural Housing Loans | | | | |
| | | Section 504 Rural Housing Repair and Rehabilitation Loans | | | | |
| | | Section 515 Rural Rental Housing Loans | ● | | | |
| | | Section 521 Rural Rental Assistance | | | | |
| | | Section 538 Guaranteed Rural Rental Housing Loans | | | | |
| | HUD | Housing Choice Vouchers | | | | |
| | | Project-based Rental Assistance (Section 8 and Rent Supplement) (inactive) | ● | ● | | ● |
| | | Public Housing | ● | ● | ● | ● |
| | | Section 8 Moderate Rehabilitation (inactive) | | ● | | ● |
| | | Section 207 Mortgage Insurance for Manufactured Home Parks | | | | |
| | | Section 207/223(f) Mortgage Insurance for Existing Multifamily Properties | | | | |
| | | Section 213 Mortgage Insurance for Cooperatives | | | | |
| | | Section 221(d)(3) Below-Market Interest Rate (inactive) | | ● | | ● |
| | | Section 221(d)(3)(d)(4) Mortgage Insurance | ● | ● | | |
| | | Section 236 Mortgage Insurance and Interest Reduction Payments (inactive) | ● | ● | | ● |
| | | Section 542(b)(c) Risk Sharing | | | | |

Source: GAO analysis of housing assistance programs and supportive services requirements.

Notes: Congregate Housing Services Program grants cannot be awarded to Section 221(d)(4) housing. Informat on on the extent to which elderly residents actually utilized these supportive services was generally not available at the federal level.

Mr. Chairman, this concludes my prepared statement. I would be happy to answer any questions at this time.

## Contacts and Acknowledgements

For further information on this testimony, please contact David G. Wood at (202) 512-8678. Individuals making key contributions to this testimony included Emily Chalmers, Natasha Ewing, Alison Martin, John McGrail, Marc Molino, Lisa Moore, John Mingus, Paul Schmidt, and Julianne Stephens.

# Appendix I: Housing Programs Targeted to or with Special Features for the Elderly

| | Agency | Program | Type | | | |
|---|---|---|---|---|---|---|
| **Targeted to the elderly** | USDA | Section 504 Rural Housing Repair and Rehabilitation Grants | S | | | |
| | HUD | Section 202 Supportive Housing for the Elderly | | M | | P |
| **Targeted to the elderly and disabled** | HUD | Assisted Living Conversion Program | | M | | |
| | | Section 231 Mortgage Insurance for the Elderly | | M | | |
| | | Section 232 Mortgage Insurance for Nursing Homes, Intermediate Care, Board and Care, and Assisted Living Facilities | | M | | |
| **With special features for the elderly** | USDA | Section 502 Rural Housing Loans (Direct) | S | | | |
| | | Section 502 Direct Housing Natural Disaster Loans | S | | | |
| | | Section 502 Guaranteed Rural Housing Loans | S | | | |
| | | Section 504 Rural Housing Repair and Rehabilitation Loans | S | | | |
| | | Section 515 Rural Rental Housing Loans | | M | | |
| | | Section 521 Rural Rental Assistance | | | | R |
| | | Section 538 Guaranteed Rural Rental Housing Loans | | M | | |
| | HUD | Housing Choice Vouchers | | | | R |
| | | Project-based Rental Assistance (Section 8 and Rent Supplement) (inactive)[a] | | M | | R |
| | | Public Housing | | | P | |
| | | Section 8 Moderate Rehabilitation (inactive)[a] | | | | R |
| | | Section 207 Mortgage Insurance for Manufactured Home Parks | | M | | |
| | | Section 207/223(f) Mortgage Insurance for Existing Multifamily Properties | | M | | |
| | | Section 213 Mortgage Insurance for Cooperatives | | M | | |
| | | Section 221(d)(3) Below-Market Interest Rate (inactive)[a] | | M | | |
| | | Section 221(d)(3)/(d)(4) Mortgage Insurance | | M | | |
| | | Section 236 Mortgage Insurance and Interest Reduction Payments (inactive)[a] | | M | | |
| | | Section 542(b)/(c) Risk Sharing | | M | | |

S Single family

M Multifamily

P Public housing

R Rental assistance

The elderly are the only beneficiaries

Assisted living facilities and properties make supportive services available

Properties can be designated for occupancy by the elderly

The elderly receive income adjustments when determining program eligibility or rent

Sources: GAO analysis of authorizing legislation, program regulations, program handbooks, and other HUD and USDA documents.

| Description | Features specific to elderly | | | |
|---|---|---|---|---|
| Provides grants to elderly rural homeowners with very low incomes for home repair or rehabilitation | ○ | | | ● |
| Subsidizes development and operating costs of multifamily properties for elderly households with very low incomes | ○[a] | ⊗ | ⊗ | |
| Subsidizes conversion of HUD-subsidized multifamily properties to assisted living facilities | | ⊗ | | |
| Insures mortgages for multifamily properties for the elderly and disabled, no income limits | | | ⊗ | |
| Insures mortgages for licensed facilities that provide varying levels of skilled care and services; no income limits | | ⊗ | ⊗ | |
| Makes loans to households with low incomes for the purchase of rural single family homes | | | | ● |
| Makes loans to households with very low and low incomes for single-family homes in rural disaster areas | | | | ● |
| Guarantees mortgages for households with low and moderate incomes to purchase rural single family homes | | | | ● |
| Makes loans to rural homeowners with very low incomes for home repair or rehabilitation | | | | ● |
| Makes loans for the construction and rehabilitation of rural multifamily properties for households with very low to moderate incomes[b] | | | ⊗ | ● |
| Provides rental assistance to tenants with very low and low incomes in Section 515 and other USDA-financed multifamily properties | | | | ● |
| Guarantees mortgages for rural multifamily properties for households with low and moderate incomes | | | ⊗ | |
| Provides tenant-based rental assistance for households with extremely low to low incomes | | | | ● |
| Provides project-based rental assistance in multifamily properties for households with extremely low to low incomes | | | ⊗ | ● |
| Provides subsidized housing operated by public housing authorities for households with extremely low to low incomes | | | ⊗ | ● |
| Provides project-based rental assistance for households with extremely low to low incomes in properties that required moderate rehabilitation | | | | ● |
| Insures mortgages for manufactured home parks; no income limits | | | ⊗ | |
| Insures mortgages to purchase or refinance existing multifamily properties; no income limits | | | ⊗ | |
| Insures mortgages for multifamily cooperatives; no income limits | | | ⊗ | |
| Insured below market interest rate mortgages for multifamily properties for households with incomes below 95 percent of the area median | | | ⊗ | |
| Insures mortgages for multifamily properties; no income limits | | | ⊗ | |
| Insures and subsidizes the interest rate of mortgages for multifamily properties for households with low incomes | | | ⊗ | ● |
| Partially insures mortgages for affordable multifamily properties; sharing risk with lenders; no income limits | | | ⊗ | |

[a]Before fiscal year 1992, the Section 202 program also supported the development of housing for the disabled.

[b]Inactive programs no longer provide assistance or insurance to new properties, but existing properties continue to operate under the programs.

[c]The Section 515 program's Congregate Housing subprogram requires properties to provide supportive services.

# Appendix II: Housing Assistance Programs That Require That Supportive Services Be Made Available to Elderly Residents

**Figure 3: Section 202 Supportive Housing for the Elderly Description**

## Section 202 Supportive Housing for the Elderly

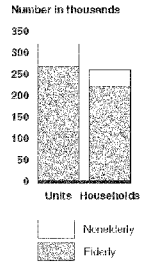
**Administering agency:** HUD

**Type of assistance:** Capital advance
Project-based rental assistance

**Type of housing:** Multifamily

### Program statistics

**Section 202 Units and Households, as of May 2004[a]**




### Overview

Since fiscal year 1992, the Section 202 program has provided capital advances (essentially grants) to nonprofit organizations and nonprofit consumer cooperatives to fund the construction and rehabilitation of multifamily rental housing for very low-income elderly people. The capital advance need not be repaid as long as the property remains available for at least 40 years to elderly households with very low incomes. Capital advances are subject to per unit development cost limits, which can be adjusted to reflect higher costs in certain areas. Property sponsors also receive project-based rental assistance under the Section 202 program to defray some of the operating expenses. The combination of a debt-free project and rental assistance payments enables sponsors to offer units at rents that are generally equal to 30 percent of a tenant's adjusted income.

Prior to fiscal year 1992, the Section 202 program provided direct loans to facilitate the construction of multifamily rental housing for elderly and disabled people. Existing properties financed with Section 202 direct loans continue to operate. Income limitations for tenants varied over the life of the direct loan program. Although the direct loan program did not include project-based rental assistance, some remaining properties also receive subsidies that reduce tenants' rents under HUD's separate project-based rental assistance programs.

### Program administration and funding

HUD national and field office staff administer the programs. HUD is responsible for awarding capital advances to sponsors and monitoring and approving properties through development, construction, and occupancy. Sponsors develop and operate the properties, select tenants, and calculate rents.

HUD announces the availability of Section 202 funds and the selection criteria for proposals through an annual Notice of Funding Availability. HUD allocates Section 202 funds among its field office jurisdictions using a formula that considers the size and income of the elderly population and that sets aside 15 percent of the funds for nonmetropolitan areas.

### Beneficiary eligibility

Elderly families that have very low incomes are eligible to rent units financed with capital advances.

Elderly and disabled families are eligible to rent units funded with direct loans. Generally, only households with very low or low incomes may rent units that receive project-based rental assistance. Income eligibility requirements for other units in direct loan properties vary depending on the year the property was financed.

### Special features for the elderly

Capital advance properties are intended exclusively for the elderly. Direct loan properties are intended exclusively for the elderly and disabled.

### Supportive services

When applying for a capital advance, sponsors must demonstrate how they will address tenants' needs for supportive services, either by providing them on-site or by providing access to off-site services. Capital advance properties that principally serve frail elderly residents may use project-based rental assistance funds to hire service coordinators. Direct loan properties can apply for HUD's Service Coordinator grants program. In addition, property owners can establish computer centers through the Neighborhood Networks program.

Source: GAO analysis of program information and HUD data.

[a]Elderly units are designated for occupancy by the elderly. Elderly or nonelderly households may occupy nonelderly units. Elderly households had an elderly head, cohead, or spouse, regardless of whether the unit was designated for the elderly. The number of households was less than the number of units because HUD only had occupancy data on households receiving project-based rental assistance.

**Figure 4: Assisted Living Conversion Program Description**

**Assisted Living Conversion Program (ALCP)**

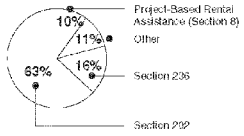
**Administering agency:** HUD

**Type of assistance:** Conversion grant

**Type of housing:** Multifamily

**Program statistics**

**Units Approved for Conversion to Assisted Living by Property Type, Fiscal Years 2000-2003**




Number of units: 1,891

**Overview**

The ALCP, authorized by Section 202(b) of the Housing Act of 1959 as amended, provides private nonprofit owners of eligible properties with a grant for the conversion of some or all of their units into assisted living facilities for the frail elderly.* The properties must have been designated for the elderly and occupied for at least 5 years and must be funded with at least one of the following housing programs: Section 202, Section 515 properties receiving Section 8 rental assistance, other properties receiving Section 8 project-based rental assistance, Section 221(d)(3) Below-Market Interest Rate, and Section 236. In addition, unused and underutilized commercial properties owned by private nonprofits are also eligible.

Grant funds are used to cover the physical costs of reconfiguring units, creating common areas and space for supportive services, and making other changes that are consistent with HUD or the state's regulations for assisted living facilities. The reconfigured facilities must include enough community space to accommodate a central kitchen or dining area, lounges, recreation and other multiple-use areas, as well as offices or staff spaces.

**Program administration and funding**

HUD's Office of Housing Assistance and Grant Administration is responsible for administering the program. Applicants compete for program funds through an annual Notice of Funding Availability. HUD will rate the applications that successfully complete technical processing using specific rating criteria. Funds are allocated to HUD's eighteen Hub Offices, and the staff there review applications and make funding decisions.

**Beneficiary eligibility**

Elderly or disabled persons that meet the admissions and discharge requirements for assisted living in accordance with state and local requirements or HUD frailty requirements, whichever are more stringent. Residents must be able to live independently but may need assistance with activities of daily living (e.g., eating, bathing, grooming, dressing, and home management).

Residents must meet income eligibility requirements that apply to the property. These requirements vary according to the program under which the property was financed.

**Special features for the elderly**

This program creates assisted living units, which provide supportive services to the frail elderly.

**Supportive services**

While HUD funds only the physical costs of conversion, property owners must provide supportive services either directly or through a third party. All ALCP sites must link low-income residents to supportive services.

Source: GAO analysis of program information and HUD data.

*Assisted living facilities are designed to accommodate the frail elderly and persons with disabilities who can live independently but need assistance with activities of daily living. These facilities must provide supportive services such as personal care, transportation, meals, housekeeping, and laundry.

**Figure 5: Section 232 and 232/223(f) Mortgage Insurance Description**

**Section 232 and 232/223(f) Mortgage Insurance for Nursing Homes, Intermediate Care Facilities, Board and Care Homes, and Assisted Living Facilities**

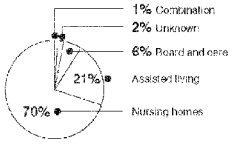
**Administering agency:** HUD

**Type of assistance:** Mortgage insurance

**Type of housing:** Nursing homes, intermediate care facilities, board and care homes, and assisted living facilities

**Program statistics**

**Section 232 Properties by Facility Type, as of April 2004[a]**




Number of properties: 1,807

**Overview**

The Section 232 program provides mortgage insurance for the construction or substantial rehabilitation of:

- Nursing homes—facilities that provide skilled nursing care and have 20 or more beds,
- Intermediate care facilities—facilities that provide minimum but continuous care and have 20 or more beds,
- Board and care homes—facilities that provide room, board, and continuous protective oversight and have at least 5 accommodations (bedrooms with a maximum of 4 people each), and
- Assisted living facilities—facilities with 5 or more units designed for frail elderly persons who need assistance with at least 3 activities of daily living.

The Section 232/223(f) program insures the refinancing or purchase of similar facilities that do not require substantial rehabilitation. Under both programs, the facilities must be licensed by appropriate state or local agencies. A responsible state agency must certify that nursing homes and intermediate care facilities are needed, generally by providing a "certificate of need."

Under the Section 232 program, HUD insures up to 90 percent of a facility's appraised value (95 percent for nonprofit borrowers) for new construction or substantial rehabilitation. Under Section 232/223(f), HUD insures up to 85 percent of the value (90 percent for nonprofit borrowers). In the event of default, HUD pays the lender the unpaid principal amount and related charges.

**Program administration and funding**

HUD national and field office staff administer the programs. HUD approves and monitors lenders that underwrite and service the loans. The lenders submit project sponsors' applications to HUD field office staff, who review the applications for compliance with HUD guidelines and standards.

**Beneficiary eligibility**

This program is intended for elderly and disabled residents. There are no income requirements.

**Special features for the elderly**

Assisted living facilities are intended for frail elderly residents.

**Supportive services**

The level of services varies according to the type of facility, but all facilities insured under this program provide supportive services to residents, ranging from meal services to protective oversight and skilled care.

Source: GAO analysis of program information and HUD data.

[a]Combination refers to properties that featured multiple facility types. Unknown refers to properties where data on facility type were unavailable. HUD did not have sufficient data to determine the total number of beds or units in all properties. Approximately 16,972 units were designated for the elderly.

**Figure 6: Section 515 Rural Rental Housing Loan Description**

## Section 515 Rural Rental Housing Loan

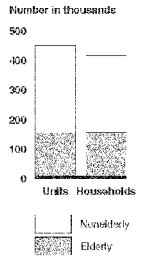
**Administering agency:** USDA

**Type of assistance:** Direct loans

**Type of housing:** Multifamily

### Program statistics

**Section 515 Units and Households, as of May 2004[a]**




### Overview

The Section 515 loan program, authorized by the Housing Act of 1949 as amended, was first implemented in 1962. Section 515 loans are made directly to individuals or organizations to construct, or to purchase and substantially rehabilitate, multifamily rental or cooperative housing and recreational facilities in rural communities. Section 515 loans also fund independent living facilities, such as congregate housing and group homes for elderly or disabled families.

Tenants eligible to live in properties built with these loans may also receive rental assistance through HUD's Project-Based Section 8 program or USDA's Section 521 program.

### Program administration and funding

Originally, Section 515 funding was distributed to each state based on the state's percentages of the national rural population, number of rural occupied substandard units, and number of rural families with income below poverty level. This system was replaced by a national competition, which is announced through a Notice of Funding Availability. Applicants apply to build developments in designated areas. State USDA offices accept, review, score, and rank loan applications, and USDA's national office makes final decisions on requests and distributes funds. Developments cannot be granted more than $1 million each, and states cannot receive a total of more than $2.5 million each year. Loans have a maximum repayment period of 30 years, with a 50-year amortization.

### Beneficiary eligibility

Families with very low, low, or moderate incomes.

### Special features for the elderly

In determining eligibility, adjusted income, and rent, elderly families receive the following deductions from their annual income: $400 and certain medical expenses.

Owners can designate developments for the elderly.

### Supportive services

Not required except for congregate housing, which must provide meals, transportation, housekeeping, personal services, and recreational and social activities. Section 515 loan funds cannot be used to pay for supportive services. Owners of congregate housing properties must seek other funding sources, such as HUD's Congregate Housing Services grant program.

Source: GAO analysis of program information and USDA data.

[a]Elderly units are designated for occupancy by the elderly or disabled. Elderly or nonelderly households may occupy nonelderly units. Elderly households had an elderly head, cohead, or spouse, regardless of whether the unit was designated for the elderly.

**RESPONSE TO A WRITTEN QUESTION OF SENATOR STABENOW FROM ALPHONSO JACKSON**

**Q.1.** In the LEGACY Act of the American Dream Downpayment Act of 2003, what is the status of: The provision to create a demonstration program to train employees in the rights of intergenerational families in connection with the Section 202 Supportive Housing for the Elderly program; the provision that Census study be done in relation to HUD Section 202 housing?

**A.1.** The LEGACY Act provisions of the American Dream Downpayment Act authorized the Department to carry out a demonstration program to provide assistance for intergenerational dwelling units for intergenerational families in connection with the Section 202 Supportive Housing for the Elderly program. The Act was signed into law on December 16, 2003. However, the Consolidated Appropriations Act of 2004 (Public Law 108–199, approved on January 23, 2004) did not provide an appropriated amount to carry out the demonstration units. The fiscal year 2005 appropriations bill again did not provide funds for this purpose. Although funds are not yet available to carry out the demonstration, the Act also included a provision that directed the Department and the Bureau of the Census to conduct a study to determine an estimate of the number of grandparent-headed and relative-headed families in the United States and their affordable housing needs. The study is expected to be completed this summer.

April 15, 2005

The Honorable Paul Sarbanes
309 Dirksen Senate Office Building
Washington, DC 20510-2002

Dear Senator Sarbanes:

On behalf of AARP, thank you for introducing S. 705, the "Meeting the Housing and Service Needs of Seniors Act of 2005," a bill to establish an Interagency Council to improve coordination in service delivery. As proposed, the Interagency Council would not only coordinate, but also monitor, evaluate, and recommend improvements in existing programs and services that assist seniors in meeting their housing and service needs at the federal, state, and local level. And, the Council would collect and disseminate information about seniors along with these programs and services.

Better coordination of housing programs is needed for a variety of reasons. In many instances, multiple program requirements and paperwork may become duplicative and burdensome. Resident means testing and qualifications may also be slightly different across programs. And, different methods of establishing rent levels and defining market areas for comparison are used by different programs. Lastly, different housing sponsors and agencies may have different waiting lists that can overlap for a population at need.

The need for greater coordination is particularly apparent when trying to put together the housing, health, and social services programs at all levels of government that are critical to successfully serving persons with disabilities of all ages. Research has shown that federal housing programs have very efficiently, if inadvertently, targeted those who are at high risk of needing supportive services to remain independent. Analysis by AARP's Public Policy Institute of data from the 2002 American Communities Survey found that, compared to older homeowners, older renters in subsidized housing were:

- Much older -- half of the older renters in subsidized housing were 75 or older compared to just over a third of older homeowners;
- Twice as likely to experience physical and cognitive limitations that threaten their ability to live independently;
- More than three times as likely to live alone and have weak informal supports from family; and
- Roughly three times as likely to be at high risk of needing Medicaid assistance due to low incomes and high levels of disability.

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toll-free TTY 877-434-7598 | Marie F. Smith, President | William D. Novelli, Chief Executive Officer | www.aarp.org

Better coordination of housing, health, and social services programs would serve a variety of purposes. Housing managers need reliable partners from health and social services agencies to serve the large and growing number of frail older people in their buildings. Social services agencies could benefit from the greater efficiencies of serving concentrations of older people with supportive services needs. But the most compelling case for better coordination comes from the lives of the older people who need assistance – the older woman who is desperately clinging to independence in her apartment; the older man who is told he must move to a nursing home to get needed services; or the older resident in a nursing home who might have been able to leave if suitable housing and services were available.

AARP actively participated in the Seniors Housing Commission whose 2002 report called attention to many of these issues. We have supported efforts to expand the mission of housing programs and to provide the needed tools for serving older persons with disabilities through building features that accommodate service needs, staffing that includes trained service coordinators, and retrofitting dollars to convert buildings to assisted living. AARP is co-chairing a process, along with the National Cooperative Bank Development Corporation, Fannie Mae, and the National Council of State Housing Finance Agencies, to develop recommendations on how housing finance programs could be better structured to promote affordable assisted living. While these efforts have been important, they do not yet approach the scale of what is needed to serve the frail older people who need help. Only a concerted effort by all agencies at all levels of government can adequately address these needs.

We urge Congress and the Administration to work together to expedite the passage of this legislation and subsequent establishment of the Interagency Council. AARP again thanks you for your attention to the needs of American seniors, and stands ready to assist you to enact this important legislation. If you have any further questions, feel free to contact me, or have your staff contact Tim Gearan of our Federal Affairs staff at 202-434-3800.

Sincerely,

David Certner
Director
Federal Affairs

The Honorable Paul Sarbanes
Washington, DC

April 5, 2005

Dear Senator Sarbanes,

On behalf of the *1,600* members of the American Association of Service Coordinators (AASC), I want to express our support for your proposed legislation to establish an Interagency Council on Housing and Service Needs of Seniors. AASC believes that this bill is urgently needed to assist service coordinators and others seeking to bring together the various federal and other programs needed by older persons and other special populations.

In my testimony, before the Commission on Affordable Housing and Health Facility describing the present fragmented system, I stated that "even for long-time professionals, the current 'crazy-quilt' tapestry of services and shelter options make it difficult to fully grasp their complexities, let alone try to access them. The results are confusion among consumers, duplication of service delivery, government agencies not knowing who supplies what service or that some services even exist, reduction in qualified service workers, regulations that impede dedicated service providers from providing the service they were hired and want to perform."

One of AASC recommendations to the Commission was the establishment of a cabinet-level department that would encompass in one entity housing, health care and other federal support programs serving the elderly to better focus federal policy and regulatory efforts, in conjunction with states and communities. AASC believes that your bill is an important step to establish a permanent national platform to address many of the cross-cutting needs and issues confronting increasing numbers of frail and vulnerable older persons.

As you may know, AASC is a national, nonprofit organization representing professional service coordinators who serve low-income older persons and other special populations living in federally assisted and public housing facilities nationwide, their caregivers, and others in their local community. Our dedicated membership consists of service coordinators, case managers and social workers, housing managers and administrators, housing management companies, public housing authorities, state housing finance agencies, state and local area agencies on aging and a broad range of national and state organizations and professionals involved in affordable, service-enhanced housing. Background information on AASC is available on our website: www.servicecoordinators.org.

We are grateful for your leadership on the vital issue. Please let me know how AASC can assist you to expedite enactment of this important legislation.

Sincerely,

Janice Monks
President
American Association of Service Coordinators
919 Old Henderson Road
Columbus, Ohio 43220
614-324-5958
jmonks@servicecoordinator.org

CLPHA
making public housing work in your community

Council of Large Public Housing Authorities
1250 Eye Street NW Suite 901
Washington, D.C. 20005-3922
Executive Director, Sunia Zaterman
phone 202.638.1300 | fax 202.628.2364
www.clpha.org

May 20, 2005

The Honorable Paul Sarbanes
534 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Sarbanes:

On behalf of the Council of Large Public Housing Authorities (CLPHA), I want to thank you for introducing legislation to establish an Interagency Council on Housing and Service Needs of Seniors. We believe that this cross-agency coordination will be critical in better addressing seniors needs, particularly those in publicly subsidized housing.

As you know, public housing is the largest federal program offering housing assistance to low-income elders. It is home to approximately 400,000 elderly households; another 300,000 seniors rely on Section 8 vouchers. For many, it offers a form of security every bit as indispensable as their retirement income. It can be their only bulwark against fears of homelessness, institutionalization and loss of community.

The elderly public housing resident population is changing radically, bringing new challenges to providers. Today, these households are not only poorer than the general senior population, they are older, disproportionately minority and female, and more likely to be alone. As a result, they need to draw on a wide range of services to be able to age in place.

The proposed Interagency Council, by bringing together key federal agencies involved in elderly services, can play a crucial role in providing comprehensive assistance. It will also allow everyone involved in elder care to continue to build on the innovations in senior assisted housing that are being pioneered in places like Cambridge, Milwaukee, Miami and Philadelphia.

We are grateful for your leadership on this important issue, and CLPHA stands ready to assist you in your efforts.

Sincerely,

Sunia Zaterman
Executive Director

## Elderly Housing Coalition

The Honorable Paul Sarbanes
Committee on Banking, Housing and Urban Affairs Committee
United States Senate
534 Dirksen Senate Office Building
Washington, D.C. 20510

April 5, 2005

**RE: Support for Interagency Council on Housing and Service Needs of Seniors**

Dear Senator Sarbanes,

The Elderly Housing Coalition (EHC) is comprised of organizations that represent providers of affordable housing and supportive service for the elderly. We are writing in enthusiastic support of your legislation that would establish the Interagency Council on Housing and Service Needs of Seniors. This Council is desperately needed and will help federal, state and local governments better serve the housing and service needs of our elderly population.

According to the Congressional Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century, we must integrate our current fragmented system of programs that seniors rely on to find the housing and services they need. As the number of seniors grows exponentially and will, in fact, have doubled by 2030, we must find a way to use our resources more effectively.

Your bill will be a great first step to bringing the key governmental agencies together to identify how they can best work to maximize program efficiency and streamline access. Again, we are pleased to offer our support for this legislation establishing an interagency council and thank you for your leadership on this issue.

If there is anything that the Elderly Housing Coalition can do to help or if you have any questions about the EHC please contact Nancy Libson or Alayna Waldrum at (202) 783-2242.

Sincerely,

Alliance for Retired Americans
American Association of Homes and Services for the Aging
American Association of Service Coordinators
Association of Jewish Aging Services of North America
B'nai B'rith International
Catholic Charities USA
Catholic Health Association of the United States
Council of Large Public Housing Authorities
Elderly Housing Development and Operations Corporation
Kinship Caregiver Resources/Intergenerational Village Project
Local Initiatives Support Corporation
National Association of Housing Cooperatives
National Association of Housing and Redevelopment Officials
National Housing Conference
National Low Income Housing Coalition
National PACE Association
Stewards of Affordable Housing for the Future
Volunteers of America

Elderly Housing Development & Operations Corporation

Kenneth L. Worley
President

Steve Protulis
Executive Vice President

Jane Becker
Vice President - Quality

Morton Bahr
Vice President - Operations

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Joseph J. Hunt
Director

Leon Lynch
Director

Ed Romero
Director

Marjorie Sims
Director

Steve Protulis
Executive Director

April 5, 2005

The Honorable Paul Sarbanes
United States Senate
Washington, DC

Dear Senator Sarbanes:

I am pleased that Elderly Housing Development and Operations Corporation (EHDOC) representing over 40 senior housing facilities in 14 states, is joining with other non-profit organizations involved with federally assisted senior housing to strongly support your bill to establish an Interagency Council on Housing and Service Needs of Seniors. We believe that the establishment of this Interagency Council will provide a cost-effective and efficient means to promote coordination between the various federal agencies involved with senior housing and services, particularly HUD and HHS.

EHDOC is well aware of the need to improve collaboration between the various federal agencies based on our efforts to assist low-income, frail elderly in Council House in Suitland, MD. Unfortunately, it is often difficult to link the various services needed to enable many frail elderly to remain in their homes as they age due to the existing fragmentation of federal housing, services and health care policies and programs.

The difficulty experienced by EHDOC with linking housing and services is repeated by many non-profit sponsors of federally assisted senior housing throughout the country. As you know, I was honored to serve as your appointee to the recent Commission on Affordable Housing and Health Care Facilities Needs of Older Persons. We repeatedly heard testimony from public and private agencies involved with senior housing, supportive services and health care, older persons and others, of their difficulties in bringing together these services to meet the needs of older persons.

As stated in the Senior Commissions' final report, "the very heart of this Commission's work is the recognition that the housing and service needs of seniors traditionally have been addressed in different 'worlds' that often fail to recognize or communicate with each other." Findings of the Commission concluded "while policymakers have struggled to be responsive to the needs of seniors, the very structure of Congressional committees and Federal agencies often makes it difficult to address complex needs in a comprehensive and coordinated fashion. For example: medical needs of seniors are addressed by Medicare and Medicaid; social service needs are addressed by Medicaid, the OAA, and other block grant programs; housing programs are administered by HUD and the Department of Agriculture's RHS; and transportation programs are administered by the U.S. Department of Transportation (DOT)."

We commend you for your leadership in addressing this critical need to effectively bring together the various federal agencies and others involved with affordable housing and service needs of older persons through the establishment of an Interagency Council on Senior Housing. Please let me if you have any questions or how EHDOC can assist you with the enactment of this important legislation.

Sincerely,

Steve Protulis

Steve Protulis
Executive Director

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May 20, 2005

The Honorable Paul S. Sarbanes
Ranking Member
Senate Committee on Banking, Housing and Urban Affairs
SH-309 Hart Senate Office Building
Washington, DC 20510-2002

Dear Senator Sarbanes:

The Enterprise Foundation strongly supports your bill to establish an Interagency Council on Housing and Service Needs of Seniors (S. 705). Developing effective and efficient coordination among the various federal agencies that are involved in providing housing, health care and supportive services to seniors is critical to meeting the needs of elderly low-income Americans and their families.

The Enterprise Foundation and our subsidiary organization, the Enterprise Social Investment Corporation, certainly recognize that providing decent, affordable housing for low-income seniors requires effective linkages between housing and services to enable seniors to remain in their homes and communities. To date, ESIC has completed 212 elderly housing projects, representing an investment of more than $729 million. Of the 68,727 affordable housing units ESIC has produced, 20,005 include support services for elderly and disabled residents as well as families.

In recognition of the need for collaboration, The Foundation, ESIC and the Corporation for Supportive Housing have recently embarked on a new Supportive Housing Investment Partnership that is the nation's largest, most ambitious initiative focused on leveraging private capital investments to significantly increase the production of supportive housing across the country. This partnership will enable nonprofit developers to build more than 3,000 new supportive housing units over the next two years. This partnership is designed to expand the impact of all of the partners, to be flexible in adapting to local needs and environments, and also to support the established relationships and the significant efforts to date of each partner.

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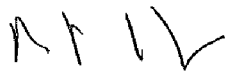
410.964.1230 · 410.964.1918 FAX · http://www.enterprisefoundation.org

Similar collaboration at the federal level among and within agencies providing programs and services for seniors would maximize the impact of federal dollars and streamlining access to ensure that more seniors receive the assistance they need.

The Enterprise Foundation commends you for your leadership on this and other housing issues and urges Congress to expedite the passage of this critical legislation. Please call upon us if we can provide additional information or assistance.

Sincerely,



F. Barton Harvey III
Chairman of the Board
and Chief Executive Officer

**Housing Assistance Council**
1025 Vermont Ave., NW, Suite 606, Washington, DC 20005, Tel.: 202-842-8600, Fax: 202-347-3441, E-mail: HAC@ruralhome.org
**Web site: www.ruralhome.org**

May 19, 2005

Hon. Paul Sarbanes
Ranking Member, Committee on Banking, Housing
and Urban Affairs
U. S. Senate
Washington, DC 20510

Dear Senator Sarbanes:

Thank you for introducing S. 705, legislation that will establish an Interagency Council on Meeting the Housing and Service Needs of Seniors. The Housing Assistance Council (HAC) strongly supports this bill. It will help the federal government work with partners to meet the growing housing and related needs of the nation's senior citizens.

HAC works throughout rural America. We know from experience that rural and nonmetropolitan seniors suffer from high poverty and housing problems. HAC's 2004 research report, *Rural Seniors and Their Homes,* notes that an overwhelming majority of nonmetro senior households (85 percent) own their homes. For these seniors to age in place, services will be needed. Yet, for rural seniors, services are often difficult or even impossible to find. The new Interagency Council will create better coordination of federal programs so that seniors and their families can access the services needed to allow aging in place or access to suitable housing alternatives.

We look forward to working with you on this important issue.

Sincerely,

Moises Loza
Executive Director

**Building Rural Communities**

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www.nahma.org

June 1, 2005

The Honorable Paul Sarbanes
Ranking Member
U.S. Senate Committee on Banking,
Housing and Urban Affairs
534 Senate Dirksen Building
Washington, DC 20510

Dear Senator Sarbanes:

I am writing on behalf of The National Affordable Housing Management Association (NAHMA) to express support for your legislation, the "Meeting the Housing and Service Needs of Seniors Act of 2005" (S. 705).

By creating an Interagency Council on Meeting the Housing and Service Needs of Seniors, this bill offers a forum through which better coordination of federal housing programs and related services for senior citizens could be achieved. NAHMA believes this legislation could serve a very useful purpose in focusing public discussion on seniors' housing needs. Likewise, an interagency council may be effective in implementing recommendations proposed by the Millennial Housing Commission and the Seniors Housing Commission.

As America's largest generation--the Baby Boomers--near retirement, it becomes increasingly important to develop a comprehensive strategy to help senior citizens "age in place." NAHMA believes the Interagency Council proposed in S. 705 could make a significant contribution to this effort. Recognizing the crucial link between affordable housing and supportive services for senior citizens is the first step toward this effort.

Thank you for your leadership on this issue.

Sincerely,

Kris Cook

Kris Cook, CAE
Executive Director

**NAHRO** National Association of Housing and Redevelopment Officials
[illegible] 202-289-3500
[illegible] 800-2176
Fax 202-289-8181

April 14, 2005

The Honorable Paul Sarbanes
Ranking Member
Senate Committee on Banking, Housing and Urban Affairs
Senate Hart 309
Washington, DC 20510

Dear Senator Sarbanes:

The National Association of Housing and Redevelopment Officials (NAHRO) is pleased to support your Bill to establish an Interagency Council on Housing and Service Needs of Seniors. Developing effective coordination between the numerous federal agencies involved with housing, services and health care for seniors is vitally important to low-income, frail elderly and their families. More than one third of residents in public housing are elderly who have increased needs for services as they age.

Providing suitable housing for low-income older persons requires effective linkages between senior housing and services to enable community-based options for frail, older persons to remain in their home as long as possible and to delay or avoid premature admission to a nursing home. Not only do effective linkages between housing, services and health care respond to consumer preferences, but they are cost-effective with significant savings to older persons and taxpayers at the state, local, and national levels.

NAHRO believes that the proposed Interagency Council will be helpful with inter- and intra-agency collaboration in addressing a number of critical needs of older persons residing in public and federally assisted housing and those using Housing Choice Vouchers. Possible areas of collaboration include: a) options for the conversion of existing senior housing units to affordable assisted living; b) linking residents with community based services through actions by service coordinators in public and federally assisted senior housing; c) and forging partnerships between senior housing and health care, such as the co-location of public housing with PACE and Shelter Plus Care programs, which we see as a necessary change.

NAHRO commends you for your leadership in the establishment of the Interagency Council on Housing and Service Needs of Seniors and offers our assistance for the prompt enactment of this cost effective and timely legislation. We are also pleased to pass along the following press release we issued in support of the legislation. Please feel free to call upon us if we can provide you with any additional information or assistance.

Sincerely,

Saul N. Ramirez Jr.
Executive Director

[illegible] Alejandro Salmeron de Crome, PHM, Vice President-Professional [illegible] David J. Meacham, MPH, Vice President-Member [illegible] Marjorie C. Maguire, Vice President-[illegible] Raymond P. Murphy, Jr., PHM, Vice [illegible] Saul N. Ramirez Jr., Executive Director

[illegible] Web site: www.nahro.org

May 17, 2005

The Honorable Paul Sarbanes
309 Dirksen Senate Office Building
Washington, DC 20510-2002

Dear Senator Sarbanes:

On behalf of the National Housing Conference, I am writing to support the *Meeting the Housing and Service Needs of Seniors Act of 2005 (S.705)* to establish an Interagency Council of Housing and Service Needs of Seniors.

The National Housing Conference is a nonprofit 501(c) (3) membership association dedicated to advancing affordable housing and community development causes. A membership drawn from every industry segment forms the foundation for NHC's broad, nonpartisan advocacy for national policies and legislation that promote suitable housing in a safe, decent environment across the nation.

Despite a variety of existing housing and social programs for seniors, a lack of coordination between programs has thwarted the efficient delivery of the services to seniors. Multiple program requirements and paperwork, along with varying standards for establishing rent levels and market areas, have also created a barrier to access. According to a 2002 report by the Congressional Commission on Affordable Housing and Health Facility Needs for Seniors, integration of existing senior programs is critical to addressing this problem and effectively providing housing and services.

S. 705 establishes a vehicle for effective delivery of housing and social services and streamlines access for one of the country's most vulnerable populations. As the senior population in our country grows, it is now more important than ever that a more effective and efficient way to deliver and use services is created.

NHC supports the *Meeting the Housing and Service Needs of Seniors Act of 2005* and the establishment of the Interagency Council. NHC also appreciates your leadership on this issue. If any additional information would be helpful, please feel free to contact me.

Sincerely,

Conrad E. Egan
President and CEO

National Housing Conference ◦ 1801 K Street, N.W., Suite M-100 ◦ Washington, DC 20006-1301
Telephone (202) 466-2121 ◦ Fax (202) 466-2122 ◦ Web Site: www.nhc.org

April 5, 2005

The Honorable Paul Sarbanes
309 Hart Senate Office Building
United States Senate
Washington, DC 20510

Dear Senator Sarbanes,

On behalf of the National PACE Association (NPA), I want to express our support for your bill to establish an Interagency Council on Housing and Service Needs of Seniors. NPA believes that this legislation is essential to provide effective linkages between housing, health care and services, and that the proposed Interagency Council will facilitate an effective national forum to promote coordination among key federal agencies involved with these programs, particularly HUD, HHS, CMS, and DOT.

As you may know, NPA represents non-profit organizations in 21 states, including Hopkins ElderPlus in Baltimore that are providers of PACE -- a Program of All-Inclusive Care for the Elderly. PACE programs coordinate and provide all needed preventive, primary, acute and long term care services so that older persons can continue living in the community. PACE serves individuals who are aged 55 or older, certified by their state to need nursing home care, are able to live safely in the community, and live in a state designated PACE service area. PACE provides a "one stop shop" for health and long-term care, and our members clearly understand through their extensive experience with the holistic needs of frail elderly, the interrelationship between housing, services, health and long-term care.

While housing is not a direct PACE benefit, our members have long recognized the importance of housing as a vital aspect of promoting wellness and quality of life for older persons. In fact, nearly all PACE programs nationwide serve enrollees who reside in public and federally assisted multifamily senior housing, and nearly one third of our members co-locate their PACE health care centers with senior housing or assisted living. Unfortunately, it is often difficult to link housing, services and health care due to conflicting funding streams, licensing, eligibility, and other factors.

Additional background information on PACE, NPA, and our members are available at our website: www.npaonline.org. Our members strongly support your bill and the prompt establishment of an Interagency Council on Senior Housing and Services. We are grateful for your leadership with this effort. Please let me know if you have any questions or how NPA can assist you with this effort to benefit low-income, frail elderly. I can be reached at 703-535-1567 or shawnb@npaonline.org.

Sincerely,

Shawn Bloom

President and CEO

1818 N Street, NW, #405, Washington, DC 20036
202/785-8888 fax 202/785-2008

May 18, 2005

The Honorable Paul Sarbanes
Ranking Member
Senate Committee on Banking, Housing and Urban Affairs
Senate Hart 309
Washington, DC 20510

Dear Senator Sarbanes:

I am writing on behalf of the National Leased Housing Association (NLHA) to express our support for your Bill to establish an Interagency Council on Housing and Service Needs of Seniors.

Our members provide housing for over one million elderly residents and we know first hand how very important it is to develop effective coordination between the federal housing agencies and other agencies involved in the provision of health care and other services.

Many of our housing owner/managers have expressed frustration in trying to work with various agencies when dealing with the normal "aging in place" issues affecting their residents. The proposed Interagency Council will be quite helpful to address the critical needs of seniors living in federally assisted housing.

NLHA salutes you for your leadership on this issue. Please feel free to contact me if we can assist you in any way.

Sincerely,

Denise B. Muha

Denise B. Muha
Executive Director

***Dedicated solely to ending America's affordable housing crisis***

June 13, 2005

The Honorable Paul Sarbanes
Ranking Member, Senate Banking, Housing, and Urban Affairs Committee
309 Hart Senate Office Building
Washington, DC 20510

Dear Ranking Member Sarbanes:

We would like to express strong support for S.705, the "Meeting the Housing and Service Needs of Seniors Act of 2005." As a national advocacy organization dedicated to ending America's affordable housing crisis, it is clear to the National Low Income Housing Coalition that seniors are among those who face serious housing hardships. Establishing an Interagency Council is a step in the right direction toward improving the outlook for the increasingly large population of seniors in the United States.

The bill's proposed Interagency Council would have the ability to more effectively coordinate programs and services, review federal programs, facilitate the "aging in place" of seniors, collect and disseminate data and information, coordinate federal and state programs, and implement the recommendations of the 1999 Seniors Commission. The creation of such a council is a constructive undertaking with much potential for producing many positive results.

We look forward to working with you to enact this legislation.

Sincerely,

Sheila Crowley
President

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http://www.nlihc.org

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Richard Wexler

Howard M. Rieger
*President/CEO*

May 12, 2005

The Honorable Paul Sarbanes
United States Senate
309 Hart Senate Office Building
Washington, DC 20510

Dear Senator Sarbanes,

On behalf of United Jewish Communities, I am pleased to offer our support for your efforts to establish an Interagency Council on Housing and Service Needs for Seniors through your introduction of S. 705, the Meeting the Housing and Service Needs of Seniors Act of 2005. As proposed, the executive level Interagency Council will provide crucial coordination of housing, health and social services for seniors. The Interagency Council will also make possible greater cooperation between the federal agencies involved with these programs, including HUD, HHS, DOT and AOA.

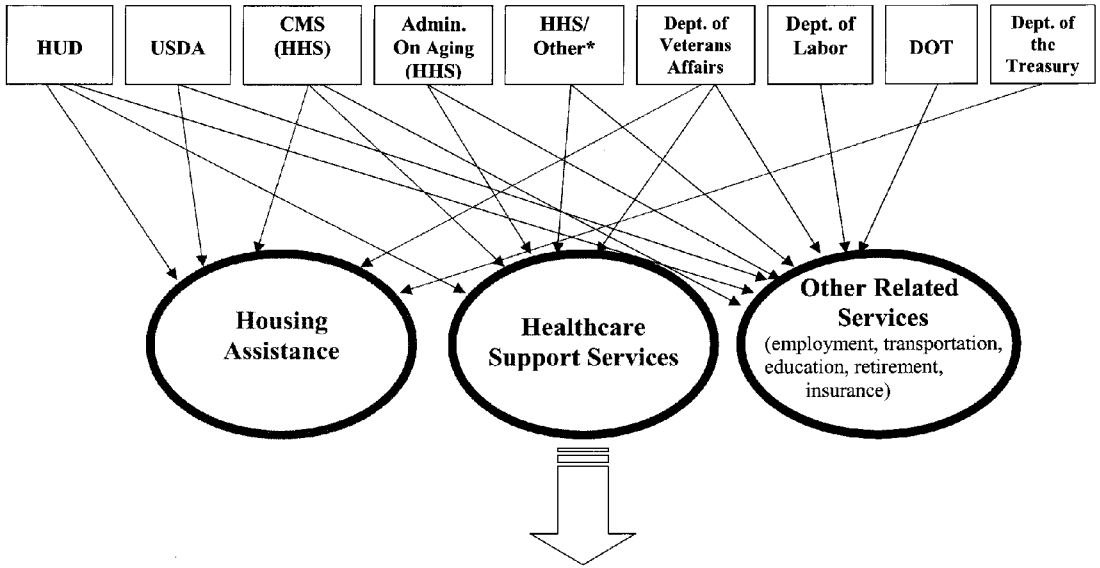
As you may know, UJC represents and serves 155 Jewish Federations and 400 independent Jewish communities across North America – one of the world's largest and most effective networks of social service providers and programs, meeting the needs of all people, Jews and non-Jews, wherever they live. More importantly, the American Jewish population is aging faster than the general population. More than a million Jews are over 65; more than 318,000 live alone. Federation-supported programs, transportation assistance, home-delivered meals and a myriad of other services help ensure that our seniors are cared for with dignity and loving-kindness. It is critical that we maximize program efficiency and streamline access.

United Jewish Communities strongly supports your bill, which will better help key governmental agencies coordinate aging programs. We urge Congress and the Administration to work together to pass this legislation. Thank you for your leadership on this initiative. If there is anything that UJC can do to be of further assistance, please do not hesitate to let us know.

Sincerely,

Stephan O. Kline
Director, Government Affairs

"The most striking characteristic of seniors' housing and health care in this country is the disconnection of one field from another." –Seniors Commission




The Interagency Council on the Housing and Service Needs of Seniors will better coordinate housing programs and related services so that senior citizens can age in place and access needed services

* NIH (National Institute on Aging), CDC (National Center for Health Statistics), Office of Assistant Secretary for Planning and Evaluation