



Preserving Affordable Senior Housing: Crucial in the Face of Increasing Need

The housing needs of low-income seniors are projected to expand rapidly over the next several years. Yet there has been no Federal funding for new construction specifically for low-income senior housing since 2011. *Housing America's Older Adults - Meeting the Needs of an Aging Population*, released in September 2014 by Harvard's Joint Center for Housing Studies (JCHS), notes that **population growth among 65–74 year olds is projected to climb from 21.7 million in 2010 to 32.8 million in 2020, and then to 38.6 million in 2030**. The population aged 75–84 is expected to reach 30.1 million by 2040 (from 13.1 million in 2010), while those aged 85 and older are expected to reach 14.1 million (from 5.5 million). Today, one in sixteen persons is over the age of 75; by 2040 the share will be one in eight.

Given their typically longer lifespans, women make up nearly three quarters of the population aged 80 or above. According to JCHS projections, the number of people over the age of 75 living alone will nearly double from 6.9 million in 2015 to 13.4 million in 2035. Many are likely to have limited financial resources to draw upon to meet their housing costs and other basic needs. If they are homeowners, the responsibility of upkeep can also be a burden, and declines in physical or mental capacities may lead to a need for outside help performing day-to-day activities.

Between 1990 and 2012, Congress funded the creation of approximately 2,800 properties serving over 120,000 households headed by low-income seniors. Most of those properties are still operated by the nonprofit owners that built them, but as the seniors inside have aged and become more frail, the buildings themselves have become older and in need of repairs and upgrades to meet the changing needs of their residents. These apartments, created by HUD's Section 202 program for low-income seniors and funded by Project Rental Assistance Contracts, or PRACs, currently have no mechanism that allows them to bring in new capital to make needed repairs and improvements, which would position them to serve the next generation of low-income seniors.

LeadingAge and SAHF call on Congress to address this problem by making PRAC properties eligible for HUD's Rental Assistance Demonstration (RAD) program, which is currently providing for the recapitalization of thousands of public housing and privately-owned, HUD-assisted properties at no additional cost to the government. While the RAD program will not address the preservation needs of all of HUD's housing for seniors, it's an important start.

Stewards of Affordable Housing for the Future (SAHF) Members

BRIDGE Housing • Homes for America • Mercy Housing • National Church Residences • NHT/Enterprise • Preservation of Affordable Housing • Retirement Housing Foundation • The Community Builders • The Evangelical Lutheran Good Samaritan Society • The NHP Foundation • Volunteers of America



The Harvard report projects a coming squeeze for low-income seniors in the years ahead.



“Over the coming years, rapid growth in the 65-and-over population will bring a substantial rise in the number of low-income households. Assuming the income distribution of this age group remains the same as it is today, 6.5 million households will have incomes under \$15,000 in 2024—a jump of 1.8 million, or 37 percent, in a single decade. ... ***This sharp increase will strain the capacity of programs aimed at providing affordable housing and supportive services to these populations*** [emphasis added]. Several factors may lead to an even larger increase in the low income older population. To begin with, fewer of today’s workers will benefit from pension plans, which have traditionally provided important financial support for moderate-income retirees. In addition, the incomes of households in their peak earning and pre-retirement years have been falling [p. 13].”

As leaders in the field of affordable senior housing, LeadingAge and Stewards of Affordable Housing for the Future (SAHF) are concerned about the rapidly-expanding gap between the number of low-income seniors, the number of homes that meet their needs and available resources, and the decline in federal investment to meet that need. The first step in meeting that need is to preserve our existing investment in affordable senior housing.

For the past 50 years, LeadingAge’s mission has been to make America a better place to grow old and we believe our members — not-for-profit providers of care and services — are the ones to make this happen. Never before has the need for a multispecialty, interdisciplinary approach to aging services been more important than it is today.

SAHF represents eleven high-capacity, mission-driven not-for-profit developers who are committed to long-term sustainable ownership and affordability of multifamily rental properties for low-income families, seniors, and disabled individuals. Since 2003, SAHF has promoted its members’ shared notion that stable, affordable rental homes are critically important in people’s lives. Together SAHF members provide homes to 115,000 low-income households across the country.

The challenge of meeting our nation’s need for affordable senior housing is real. Unless we act, more seniors will be without a safe, stable home where they can age with dignity and access services to maintain their health and essential social connections. The need is real, and increasingly urgent. Addressing this challenge will require creative solutions and bipartisan approaches. The alternative—a growing segment of poorly-housed or homeless seniors living in poverty and struggling with greater health risks, complications, and expenses—is one we truly cannot afford.

Stewards of Affordable Housing for the Future (SAHF) Members

BRIDGE Housing • Homes for America • Mercy Housing • National Church Residences • NHT/Enterprise • Preservation of Affordable Housing • Retirement Housing Foundation • The Community Builders • The Evangelical Lutheran Good Samaritan Society • The NHP Foundation • Volunteers of America