



**TESTIMONY OF
SHANNON GUZMAN, MCP
ON BEHALF OF
AARP**

**BEFORE THE
SENATE COMMITTEE ON
BANKING, HOUSING, AND URBAN AFFAIRS
ON**

**“AFFORDABILITY AND ACCESSIBILITY:
ADDRESSING THE HOUSING NEEDS
OF AMERICA’S SENIORS”**

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Good morning, Chairman Brown, Ranking Member Toomey, and members of the Senate Banking Committee. My name is Shannon Guzman, Senior Strategic Policy Advisor in the AARP Public Policy Institute. AARP welcomes this opportunity to address the urgent housing needs of our nation's older adults and to discuss solutions to address them. The current state of housing is precarious for too many older adults and their families, threatening their quality of life. As the older adult population grows in the years ahead, concrete steps are needed at all levels and throughout society to prepare to meet the housing needs of older adults. Though daunting, there are an array of solutions that can benefit individuals as well as communities. We also welcome the opportunity to share with you AARP's work to enhance housing for all, and to support communities in their endeavors to become more "age-friendly" for people of all ages and abilities.

AARP has a strong interest in ensuring that housing meets the needs of all Americans as they age. This means housing that is safe, affordable to all income levels, appropriate, and situated within an "age-friendly" community. Housing should be fully accessible for persons of all abilities, and should provide an appropriate amount of space for a given household to be comfortable. Older Americans also need access to a housing system that promotes equity in policies and practices; that does not discriminate based on race, ethnicity, or income; and that provides a choice of housing types.

That is why AARP – the nation's largest nonprofit advocating for the needs of older adults – has invested in our Livable Communities Initiative. For more than a decade, AARP has been focused on enhancing the ability of practitioners, government officials, community volunteers, and others to take action to create communities that consider the needs of an aging population and provide more choices in housing that better serve the diverse needs of America's older adults. We developed the groundbreaking [AARP Livability Index](#) which scores every neighborhood and community in the United States for the services and amenities that affect people's lives the most. AARP's state offices advocate for state and local policy change to advance more diverse, accessible, affordable, and safe housing options – as well as community-wide investments in transportation, parks, and health that best support the ability to age in place. Through our [Community Challenge](#) grant program, we have directly invested in over 800 grants – across every state in the country, totaling more than \$9 million over five years – in quick-action demonstration projects that illustrate the benefits of a more age-friendly approach to housing, public spaces, transportation and more. And with an array of tools and programs, such as the [AARP Network of Age-Friendly States and Communities](#), we work to empower residents and leaders with information to make better choices for their communities in ways that benefit all.

Demographic Trends

The number of older adults will surge in the decades ahead and these individuals will represent an increasingly large share of our nation's population. In fact, the number of people age 65 and over are expected to exceed the number of children under 18 for the first time in U.S. history in 2034. In just 20 years, there will be over 80 million people over 65 – more than twice as many as

in 2000. And the 85 and older population is projected to more than double from 6.6 million in 2019 to 14.4 million in 2040.¹

At the same time, the older population is becoming more racially and ethnically diverse. In the next 20 years, racial and ethnic non-white populations will increase 115 percent.² Further, the white (non-Hispanic) population age 65 and older is projected to increase by 29 percent, the Hispanic population by 161 percent, Black American (non-Hispanic) by 80 percent, American Indian and Alaska Native (non-Hispanic) by 67 percent, and Asian American (non-Hispanic) by 102 percent.

Older households will drive the growth of new households in the next 20 years. Of the 16.1 million net new households that are expected to form between 2020 and 2040, 13.8 million – greater than 85 percent – will be headed by someone age 65 and over.³

Current Housing and Demographic Conditions

This future growth in the number, share, and composition of older adult-headed households must be considered alongside the characteristics of today's older adults. While certain segments of the older population do enjoy the fruits of lifelong savings, rising home equity, and secure retirement plans, this is not true for all. The median income for an older adult in 2019 was just \$27,398. In 2019, nearly one in ten people age 65 and older – 4.9 million people – lived below the poverty level. Household composition matters, too. Five percent of older persons who lived with families were poor, in contrast with 16 percent of older persons living alone.⁴

The risk of developing disabilities also increases with age. Thirty-six percent of households headed by a person age 65 and over and 20 percent of households headed by a person age 50–64 include a member with a mobility disability.⁵ In 2019, HHS reported that nearly one in five adults age 65 and older say they cannot function, or have a lot of difficulty with at least one of six functioning domains, such as hearing, seeing, cognition, or self-care. The greatest challenge cited was with mobility – walking or climbing stairs – where 40 percent of adults over 65 indicated such difficulty.

Older adults are not a homogenous group. The circumstances and needs of those in their 50s and 60s can differ greatly from those in their older years. People are working longer: roughly 10 million people (about 20 percent) over age 65 are still in the workforce, although that number declined slightly during the pandemic. And health conditions often become more challenging as people age, with 30 percent of people over 75 self-reporting their health as 'fair or poor' compared to just 22 percent of those ten years younger.⁶ For those in their advanced years – 70s,

¹ Administration for Community Living, "2020 Profile of Older Americans". May, 2021

https://acl.gov/sites/default/files/Profile%20of%20OA/2020ProfileOlderAmericans_RevisedFinal.pdf

² Administration for Community Living, 2021

³ Urban Institute, The Future of Headship and Homeownership. Revised January 22, 2021, p.2.

https://www.urban.org/sites/default/files/publication/103501/the-future-of-headship-and-homeownership_0.pdf

⁴ Administration for Community Living, 2021

⁵ Harvard Joint Center for Housing Studies, America's Rental Housing 2022, p. 22.

https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Americas_Rental_Housing_2022.pdf

⁶ Administration for Community Living, 2021.

80s and 90s – their ability to reside in their homes and remain stably housed becomes ever-more dependent upon the availability of accessible housing and affordable, secure services to provide assistance with the activities of daily living, medical care, and socialization.

It is essential that care options be made available in the least-restrictive and most affordable setting. In most cases, allowing someone to live longer in the home of their choice with the addition of in-home care on an as-needed basis is a far better option than an institutional setting, such as a nursing home. The pandemic made this even more true. More than 200,000 nursing home and other long-term care facility residents and staff have died due to COVID-19, despite the fact that nursing home residents make up less than one percent of the U.S. population.⁷ The vast majority of older adults want to live independently in their homes and communities. It is not only what people want, but it is also generally more cost effective. On average, Medicaid can serve about three people in their homes and communities for the cost of one person in a nursing home. The median cost nationally for a person paying out-of-pocket for a private room in a nursing home is \$108,408.⁸ Providing individuals with support is critical to enabling them to live at home. Support includes home care aides to assist with activities such as eating, bathing, and dressing; home modifications to enable them to live safely at home; adult day services for care and socialization, as well as to give family caregivers a temporary break; assistance with rides to appointments and shopping; assistance with paying bills and coordinating care; and more. The ability to access needed support is essential in order to delay and prevent more costly institutional care for people currently living at home, as well as to help residents leave nursing homes who could live at home with support.

After a lifetime of hard work and contributing to our society, America’s older adults deserve to live with independence, security, and dignity. AARP is fighting for older adults to have high-quality, affordable options when it comes to long-term care—especially care at home. It is important for Congress to greatly expand investments in and access to home care, as well as address Medicaid’s institutional bias, though we know this is beyond this committee’s jurisdiction. Now more than ever, we need to prioritize making home care options more affordable—and available—so nursing homes are not the only alternative.

In addition, over 48 million family caregivers providing care to loved ones are the backbone of the care system in this country. They help make it possible for older adults, people with disabilities, and veterans to live independently in their homes and communities. Family caregivers take on physical, emotional, and financial challenges due to their caregiving responsibilities. They provide over \$470 billion annually in unpaid care to their loved ones.⁹ If families were not shouldering these caregiving responsibilities, taxpayers would be on the hook for much more costly nursing home care and unnecessary hospital stays. Caregivers also pay for

⁷ Kaiser Family Foundation, “Over 200,000 Residents and Staff in Long-Term Care Facilities Have Died From COVID-19” Accessed March 23, 2022. <https://www.kff.org/policy-watch/over-200000-residents-and-staff-in-long-term-care-facilities-have-died-from-covid-19/>

⁸ Genworth, Cost of Care Survey, accessed March 28, 2022. <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>

⁹ AARP Public Policy Institute, “Valuing the Invaluable 2019 Update: Charting a Path Forward” <https://www.aarp.org/ppi/info-2015/valuing-the-invaluable-2015-update.html>

caregiving expenses out-of-pocket to support their loved ones that average \$7,242 or 26 percent of their income annually.¹⁰

Support for family caregivers – such as assessments of their needs and the provision of support based on that assessment, information, assistance in locating services, counseling, training, respite to give them a temporary break from their caregiving responsibilities, financial relief such as a caregiver tax credit (Credit for Caring Act, S. 1670), and other support – are important to help sustain caregivers in their caregiving role and ensure their health and well-being. This caregiver support is also important to help the people they are assisting remain in their homes.

Impacts of the National Affordable Housing Crisis

Each of the challenges above exists against the backdrop of a national housing crisis. Fortune Magazine last month projected that the 20 percent increase in housing prices across the U.S. in 2021 would not decelerate, as some had previously expected. Rather, they cite projections that the housing market would further heat up in 2022, with predictions that the 12-month rate of home price increases would exceed 21 percent.¹¹ Similar trends are evident in the rental market – where a full-time minimum-wage worker cannot afford a one-bedroom rental apartment in 93 percent of counties across the US.¹²

At its most extreme end, the effects of this economic pressure are manifesting in increased rates of evictions and homelessness among older Americans that are evident in all states, to varying degrees. For example, in Ohio in 2020, 6,866 people age 55 and older experienced homelessness, and in Pennsylvania, 7,129 people over 55 experienced homelessness – compared to an average across states of 4,236. Older adults also represented a larger share of those evicted in 2020, compared to an average across states: in 2020, 2.38 percent of people evicted in Ohio were over age 55 and 2.46 percent of people evicted in Pennsylvania were over 55 – compared to a state average of 2.09 percent.¹³

Impacts on Homeowners

While the housing market surge may benefit many existing homeowners, it is expected to nevertheless place homeownership even further out of reach for many. The homeownership rate will continue to fall for every age group, with the decline being particularly pronounced for Black households headed by 45-to 74-year-olds, leading to projections that the number of elderly Black renters will more than double from 1.3 million in 2020 to 2.6 million in 2040.¹⁴ Many factors contribute to this racial disparity including discriminatory housing and lending practices, as well as the impact of the Great Recession which impacted nonwhite borrowers

¹⁰ AARP Research, “Caregiving Can Be Costly — Even Financially: 2021 Caregiving Out-of-Pocket Costs Study” <https://www.aarp.org/research/topics/care/info-2016/family-caregivers-cost-survey.html>

¹¹ Fortune, “The Spring 2022 Housing Market Will Absolutely Crush Buyers”, February 12, 2022. <https://fortune.com/2022/02/17/spring-2022-housing-market-will-crush-buyers-zillow-home-prices-spike-22-percent/>

¹² National Low-Income Housing Coalition, Out of Reach, 2021. <https://reports.nlihc.org/orr>

¹³ Statista/AARP analysis of data provided by United States Census Bureau (USCB)

¹⁴ Urban Institute, The Future of Headship and Homeownership. Revised January 22, 2021. https://www.urban.org/sites/default/files/publication/103501/the-future-of-headship-and-homeownership_0.pdf

disproportionately – resulting from widespread unemployment and financial hardship, leading to nearly 10 million homeowners losing their homes to foreclosure and subsequent home price depreciation – and from which many have yet to recover.¹⁵

Older homeowners are not immune from the effects of recent economic conditions and the resulting stress placed on family budgets. Rising home values lead to higher property taxes. Increasing frequency of natural disasters has led to increases in the cost of homeowner's insurance. And inflation is driving prices higher for most necessities, like food, prescription drugs, and utilities. These price increases affect older people more deeply since they are more likely to be retired and live on a fixed income.¹⁶ Older homeowners are also carrying more debt than in the past, with sharp increases in the percentage of families carrying debt and increases in the amount of that debt. The share of homeowners age 65 and over with housing debt rose from 21 to 42 percent between 1989 and 2019, while the median outstanding balance rose from \$18,000 to \$86,000 (both in 2019 dollars) over the same period. Owners age 80 and over exhibited the same pattern with 27 percent carrying mortgage debt in 2019, compared with three percent in 1989.¹⁷ Mortgage debt is the largest debt carried by older families and many families are facing difficulty making their mortgage payments as a result of the pandemic.

While a smaller share of older homeowners face cost burdens (paying more than 30 percent of their income on housing) compared to renters, 25 percent of these homeowners are nevertheless cost-burdened – and represent a larger number of older adult households than of renters (6.3 million homeowners versus 3.6 million renters).¹⁸

The Homeowner Assistance Fund – created as part of the American Rescue Plan in 2020, and representing nearly \$10 billion in federal support to states, localities, and tribes – provides funding to help prevent mortgage delinquencies and defaults, foreclosures, loss of utilities, and displacement of homeowners who are experiencing financial hardship. Care must be taken to ensure that assistance is available to older homeowners who need assistance. During the Great Recession, the foreclosure rate on forward mortgage loans for borrowers age 75 and older increased from 0.3 percent in 2007 to a peak of 3.2 percent in 2011.¹⁹ Beginning in 2012, the foreclosure rate for borrowers age 75 and older was higher than all other younger age groups (<50, 50-64, 65-74), and remained higher through 2017, the latest date for which data by age are available.²⁰ It is expected that mortgage delinquencies and foreclosures will increase as

¹⁵ Urban Institute, “How Economic Crises and Sudden Disasters Increase Racial Disparities in Homeownership,” <https://www.urban.org/sites/default/files/publication/102320/how-economic-crises-and-sudden-disasters-increase-racial-disparities-in-homeownership.pdf>

¹⁶ Washington Post, “Fewer hot showers, less meat: How retirees on fixed incomes are dealing with inflation.” March 21, 2022. <https://www.washingtonpost.com/business/2022/03/21/elderly-inflation-fixed-income/>

¹⁷ Jennifer Molinsky, Harvard Joint Center for Housing Studies, “Ten Insights About Older Households from the 2020 State of the Nation’s Housing Report.” Dec. 17, 2020. <https://www.jchs.harvard.edu/blog/ten-insights-about-older-households-2020-state-nations-housing-report>

¹⁸ Harvard Joint Center, Housing America’s Older Adults, 2019

¹⁹ L.A. Trawinski, “Nightmare on Main Street: Older Americans and the Mortgage Market Crisis,” AARP Public Policy Institute, 2012.

²⁰ L.A. Trawinski, “Mortgage Foreclosures and Older Americans: A Decade after the Great Recession,” In: “Remaking Retirement: Debt in an Aging Economy. Edited by Olivia S. Mitchell and Annamaria Lusardi, Oxford University Press, 2020.

borrowers exit the pandemic forbearance period, and that not all borrowers will qualify for loss mitigation.

Older homeowners with FHA-insured reverse mortgages, i.e., Home Equity Conversion Mortgages (HECMs), are also at risk of foreclosure. While HECM borrowers do not make mortgage payments, they are required to pay property taxes and homeowner's insurance and keep up with home maintenance. HECM borrowers were eligible for forbearance during the pandemic, but had to request forbearance from their loan servicer. Foreclosures were put on hold until September 30, 2021 and are starting to increase. HUD provided some limited loss mitigation guidance for HECM borrowers who were delinquent on property taxes or homeowner's insurance, but servicers were not required to offer loss mitigation.

Impacts on Renters

During the COVID-19 pandemic, both homeowners and renters faced severe challenges in maintaining their housing while absorbing unprecedented job loss and other stresses unique to this pandemic. Even pre-pandemic, in 2019, a record number of older households, 10.2 million, were cost burdened (paying more than a third of their income on housing) and half of these were severely cost-burdened (paying more than half of their income on housing).²¹ Narrowing the scope to renters, the number of older adult renter households (age 62 or older) in the U.S. experiencing worst case housing needs²² has steadily increased to 2.2 million older renters in 2019 – an increase of 16 percent from 2017 to 2019.²³

Rental housing will continue to be a critical part of the housing solution for all older adults, but remains unaffordable for many. Fifty-five percent of renters age 65 and over paid more than 30 percent of income for housing in 2019. And the growth in renters 65 and older is projected to steadily increase over the next two decades from 7.4 million in 2020 to 12.9 million by 2040.²⁴

Given the expected growth in rental households, it is critically important to ensure that there is an adequate supply of rental units available to meet the need – not only in terms of the number of units, but also for accessible features in the home, as well as for transportation and mobility options outside the home. Transportation choices determine one's ability to travel to work, medical care, shopping and socializing. Informed by the needs of renters, it is essential to increase the supply of a full array of housing choices.

Community-Wide Factors

Action to improve the stability, affordability and safety of housing cannot be limited *only* to housing. Truly “age-friendly” housing is dependent on community-wide factors, such as access to high-quality community-based health care, fresh food, and parks and public spaces. Perhaps

²¹ Jennifer Molinsky, Harvard Joint Center, blog, Ten Insights About Older Households from the 2020 State of the Nation's Housing Report. Dec. 17, 2020.

²² Worst-case housing needs means that a renter household with income below 50 percent of area median either is paying more than half of their income for rent, living in severely inadequate housing, or both.

²³ HUD Worst Case Housing Needs Report, 2021 Report to Congress.

<https://www.huduser.gov/portal/sites/default/files/pdf/Worst-Case-Housing-Needs-2021.pdf>

²⁴ Harvard Joint Center for Housing Studies, America's Rental Housing 2022.

https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Americas_Rental_Housing_2022.pdf

most important on a daily basis is access to a range of transportation options. Fully 18 percent of older adults 65 and older do not drive, and 35 percent of women over 75 don't drive at all.²⁵

For those who do not drive, the ability to access secure and affordable transportation options – including public transit, paratransit, and safe streets for walking, biking and rolling – can be the determining factor in whether they can continue to live in their home of choice. Those without transportation options may simply be unable to reach their desired destinations on any given day, increasing their risk of social isolation, including contributing to delays in or the inability to access medical care. In 2017, almost 6 million people delayed medical care because of transportation, leading to higher medical costs.²⁶ Still other risks emerge for those on foot or using a wheelchair outside their home, with people age 65 and older accounting for 21 percent of all pedestrian fatalities in 2019, while only 16 percent of the total population – and the pedestrian fatality rate of older persons is among the highest of any age group.²⁷

Housing and Community Preferences of Older Adults

Older adults have consistently expressed their desire to age in place – and yet, as the data above suggests, there are myriad challenges to doing just that. AARP's 2021 Home and Community Preferences Survey once again affirms that more than three-quarters of people age 50 and older want to age in their existing home and/or community. The number of older adults wanting to remain in their homes as they age has remained relatively consistent for more than a decade and was not impacted by the pandemic. However, our homes and communities are generally ill-prepared to make this possible.

Most people live in housing without designs or features that allow someone to easily navigate if they lose mobility functions, therefore requiring that residents retroactively modify or equip their homes to suit changing needs. Over one-third (34 percent) of all adults responding to AARP's survey say they need to make modifications to their current residence so that they or a loved one could continue living there in the event they needed physical assistance. This is particularly important for the one in five Americans who is a caregiver.

Further, many adults reported that they are open to alternative housing options (such as home sharing, in which a homeowner rents extra space to a tenant on a short- or long-term basis) that would better enable them to age independently. Approximately 60 percent of adults indicated their willingness to consider options like accessory dwelling units (ADUs) or "in-law suites" to be able to live near someone but maintain their own space, save money, or get help with daily activities. For homeowners currently without an ADU, roughly one-third cite the approval and

²⁵ AARP Public Policy Institute Analysis of 2017 National Household Travel Survey

²⁶ Mary K. Wolfe, Noreen C. McDonald, and G. Mark Holmes, "Transportation Barriers to Health Care in the United States: Findings from the National Health Interview Survey, 1997– 2017," *American Journal of Public Health* 110, no. 6 (June 2020): 815–22.

²⁷ National Center for Statistics and Analysis. (2021, May). Pedestrians: 2019 data (Traffic Safety Facts. Report No. DOT HS 813 079). National Highway Traffic Safety Administration
<https://crashstats.nhtsa.dot.gov/Api/Public/ViewPublication/813079>

permitting processes as a barrier to constructing one, and 28 percent indicate that current zoning laws prohibit them from building this type of dwelling.

Older adults recognize that their ability to age in place is also dependent upon conditions in the neighborhood. Nearly three-quarters of persons age 50 and above say it is important to have safe, well-lit parks that give residents places to gather and interact with friends and neighbors. A majority of adults think it is important to have access to clean, safe water (82 percent); quality health care (73 percent); and safe trails and paths to walk, run, or bike (62 percent). Other desirable community features include well-maintained streets, easy to read traffic signs, and safe and accessible streets.²⁸

To address the concerns stated above, AARP advocates for diverse solutions and urges the following approaches:

Investing in Housing Affordability and Stability

Housing affordability has steadily worsened in recent years for older renters and homeowners. The gap between rising housing costs and incomes threatens housing stability for broad segments of the older population, putting them at serious risk of displacement, eviction, or foreclosure.

Underpinning this disruption is the instability created by discriminatory practices in lending, appraisals, and the buying and rental processes that have resulted in lower homeownership rates among Black Americans, as well as fewer prospects for them to obtain rental housing in higher choice neighborhoods. Stunted opportunities to own property and businesses have led to lower accumulation of family wealth over time resulting in stark racial disparities in homeownership. While the homeownership rate for older white households remained in the 80-85 percent range for the first two decades of the millennium, the rate for older Black households peaked at 71.3 percent in 2003 and then dropped to 58.9 percent in 2019—doubling the homeownership gap to nearly 25 percentage points.²⁹ Increasing access to homeownership is essential, as homeownership is the most significant way that families build wealth. Moreover, fixed-rate mortgages lock in payments over a period of decades and can help preserve an affordable payment structure.

Housing stability among older adults further deteriorated during and as a result of the pandemic. While the economy was improving in August 2021, the Consumer Financial Protection Bureau reported that older renters and homeowners were having trouble meeting rent and mortgage obligations.³⁰ At that time, approximately 583,400 older renters were still behind on their payments. Another 144,000 were current on their rent but were not confident that they would

²⁸ AARP, “2021 Home and Community Preferences Survey.” <https://livablecommunities.aarpinternational.org/>

²⁹ Harvard Joint Center for Housing, The State of the Nation’s Housing 2020. https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2020_Report_Revised_120720.pdf

³⁰ CFPB, Data Spotlight: Older Renters Struggling to Make Their Rent Payments During the Pandemic, August 2021, and; Data Spotlight: Older Homeowners Struggling to Make Their Mortgage Payments During the Pandemic, August 2021. https://files.consumerfinance.gov/f/documents/cfpb_older-renters-struggling-rent-payments-during-pandemic_data-highlight_2021-08.pdf https://files.consumerfinance.gov/f/documents/cfpb_older-homeowners-mortgage-payments-during-pandemic_data-highlight_2021-08.pdf

make the following month's payment on time. The share of older adults behind on their payments was higher among non-white renters than white renters, and among older renters with incomes below \$25,000 than those with incomes above \$25,000.

Likewise, older homeowners struggled to make their mortgage payments. About 682,400 older homeowners were behind on their mortgage payments, and an additional 236,000 were current on their mortgage but had no confidence they would be able to make their next month's payment. As was the case with renters, the share of older adults behind on their mortgage payments is higher for non-white homeowners and for older homeowners with income below \$25,000 than for their counterparts.

In light of the above challenges, it is not surprising that evictions and homelessness are affecting older adult households to a growing degree. Housing instability is a very real threat to the well-being of older adults, and likely to rise. According to an analysis of Census data by Statista for AARP, 181,430 people age 55 and older were evicted in 2020, and by 2027, that number is projected to rise to 309,065. Relatedly, 216,018 people 55 and older experienced homelessness in 2020 and that number is projected to grow to 280,209 by 2027. This is not a new trend. The share of homeless individuals age 50 and over jumped from 22.9 percent to 33.8 percent between 2007–2017, according to HUD's 2017 Annual Homeless Assessment Report. During the same period, the number of people age 62 and over living in emergency shelters or transitional housing rose by about 69 percent, to nearly 76,000.³¹ Further, persons age 55 and older who use homeless services increased from a 16 percent share of all service recipients in 2016 to 22 percent in 2020, based on data HUD provided to AARP.

Greater federal assistance can help alleviate the compelling need for affordable and stable housing among low-income older individuals, in which only 38.7 percent of very low-income renters age 62 and over received federal rental assistance as of 2017.³²

Therefore, we urge Congress to strengthen the following programs and laws to help address this crisis:

1. *Section 202 Supportive Housing for the Elderly*

The Section 202 Supportive Housing for the Elderly program represents a critically important housing solution for very low-income older adults. The 202 program is the only federally-funded, new construction housing program specifically designed to address the physical frailties of elderly residents and that aims to help people age well in their community. Service coordinators, now present in about half of Section 202 properties, assess residents' needs, and connect them to a broad array of services, such as housekeeping, health, and transportation that allow them to live more fully, with independence and dignity. These services are particularly critical to the nearly 40 percent of 202 program residents who are frail or near-frail. The average age of Section 202 residents is 79 years old. The location of housing is also vitally important to older

³¹ HUD, The Annual Homeless Assessment Report (AHAR) to Congress, October 2018. <https://www.huduser.gov/portal/sites/default/files/pdf/2017-AHAR-Part-2.pdf>

³² Jennifer Molinsky, Harvard Joint Center for Housing Studies, "Ten Insights About Older Households from the 2020 State of the Nation's Housing Report." Dec. 17, 2020.

residents. New Section 202 properties should be developed in walkable sites with proximity to strong public transportation services and other transportation options for non-drivers, and a range of community services and amenities so that older adults can stay connected to friends, family, and businesses in their community. The *Affordable Housing Access* program in legislation last year would enable these vital connections.

Regrettably, the demand for Section 202 housing far exceeds the nation's current supply of 400,000 units. Waiting lists several years long are not uncommon – and may understate the need due to the practice in some states to simply cut off waiting lists when they get too long. This demand was exacerbated by several years in the last decade in which funding for new construction was zeroed out. Substantial funding is needed to address the acute growing needs of older adults for the program. Despite the return to funding new homes in 2018, funding is 18 percent lower in real terms than in 2010. Legislation last year would have provided \$2.4 billion for Section 202 making possible about 37,500 homes as well as new service coordinators. Recent funding increases of \$1.03 billion are a good start to preserving existing properties, building new units, and providing on-site service coordinators to integrate health and social supports for residents.

2. *Public Housing and Housing Choice Vouchers (Section 8)*

Investments in public housing, such as those in last year's legislation, are long overdue. Public housing is an essential source of affordable housing, and funding is needed for repair and rehabilitation of seriously neglected public housing properties. Over 350,000 residents of public housing are age 62 and above.

Section 8 Housing Choice Vouchers are also critical for many low-income renters to address the recent steep rise in rents across the country. Only one in five eligible households receives rental assistance due to the chronic disinvestment in the Housing Choice Voucher program. In 2018, these vouchers and other federal rental assistance lifted an estimated 665,000 older adults over the poverty line, more than any other program except Social Security.³³

3. *Reverse (Home Equity Conversion) Mortgages*

HUD should require HECM servicers to offer loss mitigation to borrowers, as well as develop more generous mitigation options. Given the sharp increases in home values, more generous options could be made available with little risk to the mutual mortgage insurance fund. People who lose their home to foreclosure at an older age have less time to recover from the financial shock, not to mention the emotional and health toll that loss of a home involves.

4. *National Housing Trust Fund (HTF)*

³³ Center on Budget and Policy Priorities, "Policy Basics: The Housing Choice Voucher Program." Updated April 12, 2021. Accessed March 29, 2022.

<https://www.cbpp.org/research/housing/the-housing-choice-voucher-program>

The HTF is the most highly targeted federal rental housing capital and homeownership program. It is the only federal housing program exclusively focused on providing states with resources targeted to serve households with the most acute housing needs, including those of older Americans. The HTF supports construction, rehabilitation, preservation and operation of rental housing for extremely low-income households at or below 30 percent of area median income or the federal poverty level. Legislation last year would have provided \$15 billion to build and preserve over 150,000 affordable, accessible homes for households with the lowest incomes.

Promoting Fair Housing

Discriminatory practices, such as historic redlining and racially biased home lending, appraisals, and buying processes have also contributed to housing instability. Violations of fair housing and fair lending laws are underreported and thus are too often allowed to stand.

The Fair Housing Act must be more rigorously enforced to protect the public from discrimination on the basis of race, national origin, color, religion, sex, familial status, and disability. Congress should increase funding for both the Fair Housing Initiatives Program (FHIP) and the Fair Housing Assistance Program (FHAP). FHIP provides grants to nonprofit fair housing organizations to perform education and outreach to the public and housing providers and to conduct investigations of alleged discrimination in local housing markets. Through the FHAP program HUD reimburses state and local certified FHAP agencies based on the number of successful cases they process. In addition, the Affirmatively Furthering Fair Housing rule should be restored to its earlier strength.

Increasing Housing Supply through Incentives that Deliver a Choice of Housing Type

Many older homeowners are empty nesters, living one or two in a dwelling that used to house a family unit with children. They often desire to stay in their homes and communities, downsizing into a smaller unit, and/or adapting their home to better accommodate family or caregivers in a separate unit. Older adults would also like their children to be able to afford homes near them. Neighborhoods with a mix of housing types – including traditional models such as duplexes and fourplexes, as well as attached or detached ADUs – in addition to single family homes can increase the supply of housing and help older homeowners right-size to a smaller home in their existing community. Unfortunately, however, families and individuals frequently learn that state and/or local zoning codes prevent these housing solutions from being constructed.

Incentives by the federal government are needed to spur local and state zoning reform to unlock these housing solutions. Incentives should be provided to local and state governments to conduct planning to advance reforms that would facilitate construction of these “missing middle housing” types, such in the *Unlocking Possibilities* program in legislation last year. When paired with related investments in construction, this could significantly contribute to a more affordable and diverse housing supply.

Accessory dwelling units, or ADUs, are particularly suited to the needs of homeowners as they age. They allow a separate unit inside or outside the home which can be used to keep family nearby, to house a caregiver, or to supplement fixed incomes. AARP state offices across the country now advocate for adoption of more flexible land use policies to allow homeowners to

construct ADUs if they choose to. In addition, AARP is educating our members and local leaders about the benefits of ADUs and how they fit into an age-friendly future.

Manufactured housing can also serve a critical role in serving the housing needs of older Americans who might otherwise find it difficult to secure affordable housing. Manufactured housing, which is often of higher quality than in years past, provides a major source of unsubsidized housing for low- and moderate-income households. In 2018, the average age of residents living in manufactured housing was 54 years. Manufactured homes are approximately 50 percent less expensive to build than traditional site-built homes. However, many zoning codes prohibit the creation of new manufactured home communities, and rising property values in hot housing markets further threaten the stability of existing communities when the landowner – often owned by a separate entity than the residents – seeks to redevelop the property, dislocating residents who are challenged to affordably relocate their home. Stronger state and local policies are needed to protect residents of manufactured housing, including rent stabilization programs and programs to assist residents to purchase their community.³⁴

Expanding Access to Accessible and Safe Housing

The functional capability of a home often hinges on how accessible it is, particularly as residents face mobility challenges. Housing accessibility is critically important as the older population continues to grow, and most older Americans say they would like to remain in their homes as they age. New construction should more frequently include visitability and/or accessibility features as part of a broader effort to create housing products that work for Americans of all ages and abilities. Equally important is enhancing the ability of people to modify their homes as needs change, with flexible choices that make it possible for people to continue to live in their homes. Accessibility can be enhanced by both larger structural improvements and by relatively inexpensive modifications to the living space. Such modifications can help people remain independent in their home for as long as possible. Modifications also remove barriers that might keep older adults from being isolated and remove fall risks that cause serious injuries and severe medical costs. Among the top modifications cited by AARP survey respondents that they would make to their current residence to allow a loved one to continue to live in the home are bathroom modifications, such as grab bars and walk-in showers; greater accessibility to the home from outside and within; and emergency response systems.

In recent years, AARP has developed new publications and fostered strategic relationships to help people modify their homes to meet their changing needs. Our HomeFit guide³⁵ – available in five languages – features over 140 ways to modify one’s home, whether a renter or an owner, to ensure that it is a better fit for all abilities and ages. AARP’s expertise in aging and home modification served as the basis for a new collaboration with Lowe’s to create their “Livable Home” initiative launched last year, which includes online resources to help consumers identify solutions that can be used to modify their homes. AARP offers online content through our publications and website on the topic of home modifications, and is working with Lowe’s to

³⁴ ESI Econsult Solutions, Inc. The State of Manufactured Housing in the U.S. January 2022 [Internal report to AARP]

³⁵ HomeFit Guide available at <https://www.aarp.org/livable-communities/housing/info-2020/homefit-guide.html>

create educational online content on their site focused on age-friendly design, as well as assist in the training of Lowe's associates accompanied by signage in stores nationwide.³⁶

The coming growth in the older adult population heralds the need for policymakers to act now to ensure an adequate supply of accessible housing, and to promote home modification and repair programs that enable older adults to remain safely in their homes. With regards to accessibility, housing produced with federal assistance should meet accessibility requirements, including at least one accessible entrance into the home, clear passage space through doorways and hallways, a main-level bedroom and bathroom, and electrical and climate controls that are reachable from a wheelchair. Also, federal standards should be established to help consumers (and builders) more clearly identify accessibility features in homes. Finally, incentives for homeowners and renters to modify their homes to adapt to changing needs – as well as to respond to increasing risks posed by extreme weather – can ensure that housing remains a safe, viable, and accessible solution as physical and cognitive needs change.

Home repair and modification programs, such as HUD's Older Adults Home Modification grants program and the U.S. Department of Agriculture's Section 504 Very Low-Income Home Repair loans and grants program (for rural areas) provide life-enhancing safety and other benefits. Funding for these valuable programs should be increased.

In closing, thank you for the opportunity to testify before you today. Older adults want to stay in their homes and communities as they age. However, they are facing tremendous challenges as housing prices and rents soar beyond their reach, as they struggle to find accessible housing designed to fit their needs, and as they search for the supportive services that will enable them to live with dignity and independence in their own homes and stay connected to their communities. We urge you to act now to prepare for the growing needs of older adults in the years ahead.

³⁶ Lowe's Press Release, <https://corporate.lowes.com/newsroom/press-releases/lowes-announces-commitment-become-retail-leader-one-stop-aging-place-solutions-11-17-21>