

**Master Plan for Aging:
LeadingAge California Recommendations:
Affordable Housing for Older Adults**

December 13, 2019

To submit your recommendation, fill out as many of the fields below as possible. It is fine to leave some blank. Recommendations can be submitted at engage@aging.ca.gov. Initial recommendations are requested to be submitted by December 13, but they may be submitted after this date as well.

Issue Statement: Every older adult should have access to housing they can afford. Housing is not only a human right, but a foundational component of our long-term care system for older adults. Housing is healthcare. Without housing, low-income older adults have diminished access to preventative health care, appropriate medication and rehabilitation, resulting in increased use of hospital and emergency department care.

MPA Framework Goal: This recommendation applies to all four Master Plan for Aging Framework goals:

- Goal 1: Services and Supports: We will be able to live where we choose as we age and have the help we need and our families need to do so.
- Goal 2: Livable Communities and Purpose: We will live in and be engaged in communities that are age-friendly, dementia-friendly, and disability friendly.
- Goal 3: Health and Well-Being: We will maintain our health and well-being as we age.
- Goal 4: Economic Security and Safety: We will have economic security and be safe from abuse, neglect, and exploitation throughout our lives.

MPA Framework Objective: This recommendation applies to the following framework objectives:

- Objective 1.1.: Statewide Information & Assistance System
- Objective 2.1: California's neighborhoods will have the built environment to fully and meaningfully include older adults, people with disabilities, and people of all ages.
- Objective 3.1: Californians will live in communities with policies and programs that promote well-being throughout our lifespans.
- Objective 4.1: Californians will be economically secure throughout our life span with access to housing, food, and income as we age.

Recommendations: 1) Increase the supply of housing affordable to older adults; and 2) create a service enriched housing program that brings health care and community-based services to low-income older adults.

Target Population and Numbers: Low-income older adults facing housing insecurity or homelessness. Specifically, the 1,281,600 households age 65 and older who are housing cost burdened (paying more than 30% of their income toward housing costs). Of those households, more than 700,000 are extremely housing cost burdened (paying more than 50% of their income toward housing costs).

Source: ["Housing America's Older Adults 2019" Harvard Joint Center for Housing Studies](#)

Detailed Recommendations:

- **Recommendation 1:** Create a dedicated funding source for building service-enriched affordable housing for older adults.
- **Recommendation 2:** Examine existing housing finance programs and make regulatory changes to ensure that housing older adults becomes a state priority.
- **Recommendation 3:** Create a state rental assistance program to help subsidize housing costs for extremely low-income (30% of Area Median Income) and very low-income (50% of Area Median Income) older adults.
- **Recommendation 4:** Create state policies that promote age-friendly development, such as accessory dwelling units, smaller single-family homes and apartment units, transit oriented development and universal design principles.
- **Recommendation 5:** Create a state service-enriched housing program to fund on-site wellness staff in affordable senior housing communities to promote: 1) aging in place 2) housing stability, 3) improved health outcomes, 4) well-being and 5) a reduction in unnecessary or avoidable healthcare utilization such as emergency department visits and hospitalizations.
- **Recommendation 6:** Examine and improve existing state programs, like the Assisted Living Waiver, that serve low-income seniors in their homes and promote: 1) aging in place, 2) improved health outcomes, 3 well-being, and 4) a reduction in unnecessary or avoidable healthcare utilization such as emergency department visits and hospitalizations.

Evidence that supports the recommendations:

1. California's increasing housing costs have particularly affected older adults. As housing costs have risen, retirement incomes, such as Social Security and Supplemental Security Income (SSI), have remained stagnant and many low-income seniors are finding it impossible to afford market-rate housing.
 - One in four people over 65 rely almost entirely on their social security benefit, which averages about \$1,470 per month in the U.S. The fair market rent for a one-bedroom apartment in California is \$1,422, leaving the average elder renter with little money left over for food and healthcare costs.
 - In California, over 1,280,000 households age 65 and over are housing cost burdened. Of those households, more than 700,000 pay more than half of their income toward housing costs.
 - Older adults with housing cost burdens are more likely to cut back on food and healthcare expenses:
 - Nationally, severely burdened low-income households age 65 and over spent only \$195 per month on food in 2018, while those without burdens spent an average of \$368.
 - Spending on healthcare expenses is even more unequal, with severely cost burdened households spending 50% less on average (\$174 vs. \$344 per month) than those living in housing they can afford.

Sources:

- ["Out of Reach 2019: California" National Low-Income Housing Coalition](#)
- ["Housing America's Older Adults 2019" Harvard Joint Center for Housing Studies](#)

2. Access to affordable housing continues to decrease. Only one-third of people who qualify for rental assistance actually receive it. At this rate, rental assistance will become harder to come by as the U.S. population of low-income older adult households increases from 5.3 million to an expected 7.9 million by 2038.

- LeadingAge California members who provide affordable senior housing in California report that waitlists average 2 to 5 years long and because of this, are rarely open to new applicants. When a waitlist opens, it is common to see older adults camping on the streets overnight just to get a spot on the years-long list.
- Homelessness among older adults is increasing at an alarming rate. Only some jurisdictions collect data related to age and homelessness. Last year, one of these jurisdictions – Los Angeles County – found that while overall homelessness had decreased, there was a 22% increase in older adults among the homeless population.
- Research shows that older adults experiencing chronic homelessness are more likely to suffer from multiple chronic conditions that make independent living difficult, compared to permanently housed peers of the same age. These individuals become high-utilizers of the health care system, which has typically resulted in high costs to the state and poor outcomes for the individual.

Sources:

- [“Housing America’s Older Adults 2019” Harvard Joint Center for Housing Studies](#)
- [“California’s Lowest-Income Seniors Desperate for Affordable Housing” California Health Report](#)
- [“Hundreds of Oakland senior citizens wait in line for subsidized housing” ABC7 News](#)
- [“Seniors facing eviction fear homelessness and isolation as California’s housing crisis rolls on” Los Angeles Times, August 28, 2019](#)
- [“Homelessness in Older Adults: Causes and Solutions” Margot Kushel, MD, LeadingAge CA Engage Magazine, Fall 2016](#)

3. One of the most effective ways California can reduce healthcare costs while improving health outcomes is to create more service-enriched affordable senior housing.

- Housing is a critical component of our health care delivery system. As we like to say – housing IS healthcare. Declining physical and cognitive functioning can hinder the ability of seniors to live independently. Without a safe, stable place to live, it is difficult for seniors to receive proper and effective preventative care and treatment for chronic conditions.
- When coupled with health care and social services, affordable senior housing has shown to reduce emergency room visits and premature admittance to skilled nursing facilities.
- In California, the cost of keeping an older adult independent in their own home averages 64% less than nursing home care.
- Low-income older adults living in affordable housing are more likely to have multiple chronic conditions, be eligible for both Medi-Cal and Medicare, be hospitalized or use the emergency department, and have higher health care costs. Affordable housing communities provide the perfect platform for delivering health and social services that help low-income residents manage their health and improve their functional status—all while saving health care dollars.

- Affordable senior housing communities provide unique opportunities for health care providers. Namely, these communities provide economies of scale, allowing providers to deliver on-site health care services to a large group of people. These partnerships save the providers and Medi-Cal money while creating better health outcomes for seniors who are receiving person-centered care.
- An ongoing demonstration project by the U.S. Department of Housing and Urban Development (HUD), called the Supportive Services Demonstration, funds a full-time Resident Wellness Director and part-time Wellness Nurse to work in HUD-assisted housing developments for older adults. While the demonstration is currently underway in California, participants have already experienced tremendous success in reducing healthcare costs while improving health outcomes.
- State Medicaid waiver programs like the Assisted Living Waiver (ALW) are effective at allowing frail seniors to age in place while avoiding costly healthcare utilization such as visits to the emergency department and premature admission to skilled nursing. Many people don't realize that the ALW can be utilized in publicly-subsidized affordable housing communities, because this utilization is only occurring in one county in California. One LeadingAge California affordable senior housing provider member who participates in the program reports that "a resident availing of such care can save Medi-Cal approximately \$30,000 per year in reduced emergency care alone."

Sources:

- ["Service coordinators in housing for the elderly save taxpayer dollars" American Association of Service Coordinators](#)
- ["Picture of Housing and Health" Medicare and Medicaid Use Among Older Adults in HUD-Assisted Housing" Lewin Group](#)
- ["Affordable Senior Housing Plus Services: What's the Value?" LeadingAge Center for Housing Plus Services and Lewin Group](#)
- [LeadingAge LTSS Center at the University of Massachusetts, Boston](#)
- ["CA Senate Health Committee Analysis of AB 50 – ALW Expansion" California Legislative Information](#)

4. California's housing models must provide supportive services to meet the needs of our older adults.

- In California, there are thousands of older adults, many who are exiting homelessness or temporary housing situations, housed without the supportive services they need to successfully transition into permanent housing. Simply putting a roof over someone's head is not enough.
- California housing policy tends to prioritize funding at each end of the housing with services spectrum – housing with no supportive services and, alternatively, housing with full wrap-around case management services, often referred to as Permanent Supportive Housing (PSH).
- Permanent Supportive Housing is an important tool in California's housing toolkit, however it is severely underfunded and the funding is fragmented. PSH is essential for ensuring housing success and positive health outcomes for persons exiting homelessness and/or those

experiencing serious and long-term disabilities - such as mental illnesses, developmental disabilities, physical disabilities and substance use disorders.

- In addition to expanding our PSH model, California should create a less-intensive model of housing with supportive services with the foundational components of PSH. Most older adults do not need the full wrap-around case management services provided by PSH models, and would benefit from less intervention as included in the service-enriched housing model.
- Similar to PSH, the service-enriched housing model is built on the foundation of having an on-site coordinator to connect residents to supportive services and community services such as meal programs, recreation, transportation and on-site health coordination.
- Service-enriched housing is less costly than supportive housing and is better suited for those who have not experienced chronic homelessness and are able to live independently with moderate assistance.
- The recent HOPE HOME Study noted that, “While PSH has been highly successful in ending chronic homelessness, less intensive efforts may be effective for those with fewer adversities. We found that nearly half of older homeless adults first became homeless after age 50, and these individuals had fewer adverse experiences and reached more adult milestones than those with earlier homelessness. Moreover, these individuals had a lower prevalence of current vulnerabilities, including mental health and substance use problems and functional impairments. Identifying those at highest risk of losing housing in late life and working to prevent housing loss or provide early support to exit homelessness may be an effective strategy to prevent progression to chronic homelessness in these adults.”
- California needs a combination of PSH and the less-intensive service-enriched housing model to address the needs of our older adults.

Sources:

- [“Service coordinators in housing for the elderly save taxpayer dollars” American Association of Service Coordinators](#)
- [“Affordable Senior Housing Plus Services: What’s the Value?” LeadingAge Center for Housing Plus Services and Lewin Group](#)
- [LeadingAge LTSS Center at the University of Massachusetts, Boston](#)
- [“Pathways to Homelessness among Older Homeless Adults: Results from the HOPE HOME Study” UCSF, Rebecca T. Brown, Leah Goodman, David Guzman, Lina Tieu, Claudia Ponath, Margot B. Kushel, May 10, 2016](#)

5. Building Affordable Senior Housing is extremely difficult in California.

- California has enacted a host of new housing policies aimed at increasing housing production, yet not one targets older adults. These new policies put funding into other housing priorities, making it extremely difficult to fund affordable housing projects for older adults.
- Further, there is very little funding for developing housing that is affordable for extremely low-income (30% of Area Median Income) and very low-income (50% of Area Median Income) older adults. Many adults who rely primarily or exclusively on SSI or Social Security for their income fall into one of these two categories.
- California’s housing programs are consistently targeted toward “special needs populations.” While the definition of “special needs populations” varies from one program to another, one

thing is consistent – older adults are not considered to have special needs in California’s housing programs, and are therefore not given preference for housing development funding.

- There is ample evidence to support a categorization of low-income older adults as a “special needs population” as the term relates to housing programs. As referenced above, a study comparing data from the U.S. Department of Health and Human Services with data from the U.S. Department of Housing and Urban Development found that lower-income older adults in affordable housing are more likely to have multiple chronic conditions, be eligible for both Medi-Cal and Medicare, be hospitalized or use the emergency department, and have higher health care costs.

Sources:

- [“California’s 2017 Housing Package” California Department of Housing and Community Development](#)
- [“2019 California Housing Need Report” California Housing Partnership](#)
- [“Housing Needs by State: California” National Low-Income Housing Coalition](#)
- [“How California’s Housing Crisis Could Hit Seniors Hard” The New York Times, July 9, 2019](#)
- [“Picture of Housing and Health” Medicare and Medicaid Use Among Older Adults in HUD-Assisted Housing” Lewin Group](#)

Examples of local, state or national initiatives that can be used as an example of a best practice:

- **Health Plan of San Mateo’s Community Care Settings Program (CCSP):** Since 2014, CCSP has transitioned aging and disabled people from skilled nursing facilities into community settings, including affordable housing, so they can live independently with the assistance of a coordinated clinical support team. The program was started as part of Health Plan of San Mateo’s (HPSM) Coordinated Care Initiative to help Cal MediConnect members (who have both Medicare and Medi-Cal) live independently as active and engaged community members. HPSM provides CCSP services in partnership with two other organizations. Housing agency Brilliant Corners helps program participants find low-income housing in the Bay Area. Once they do, HPSM and San Francisco’s Institute on Aging (IOA) get program participants the resources they need to seamlessly transition from long-term care into their new homes and flourish in their community.

HPSM began collecting data in 2016 with support from its partners at six-month intervals to evaluate progress toward its goals. As of September 2019, 289 members had participated in the CCSP. Seventy-eight of these members were in a skilled nursing facility and placed back in the community; 123 were residing in custodial long-term care; and 88 were already in the community but were at-risk of being institutionalized without additional supports.

HPSM has data on spending and utilization from 2018. As of June 2018, the average PMPM costs for the 176 members with at least six months’ worth of longevity in the community was \$6,595, a 35% decrease from \$10,104 in 2014. The members residing in an institutional setting who were moved to the community achieved the largest savings.

Lack of access to affordable housing has been one of the biggest challenges facing HPSM in this program.

Sources:

- [Health Plan San Mateo Community Care Settings Program](#)
- [“Facilitating Community Transitions for Dually Eligible Beneficiaries” Center for Health Care Strategies, 2019](#)

- **State of Vermont’s Support and Services at Home (SASH) Program:** The program is designed to help SASH participants living in or near affordable senior housing communities access the health care and support services they need to remain healthy and independent. Most SASH participants live in housing communities assisted by the U.S. Department of Housing and Urban Development (HUD) or the Low-Income Housing Tax Credit (LIHTC) program. SASH features an onsite team consisting of a full-time SASH coordinator and a quarter-time SASH wellness nurse. Each SASH team works to promote greater care coordination for 54 panels of approximately 100 SASH participants. Those teams:
 - Complete an assessment of newly enrolled SASH participants to determine their health conditions, medications, social circumstances, and the support services they currently use or need.
 - Use the assessment, which is updated each year, to identify the health and service needs of individuals and to provide group programming that addresses common needs.
 - Work with local service provider organizations to connect SASH participants with resources in the community.
 - Work with the participants’ health care providers to ensure proper medication usage, successful hospital discharges, and overall coordination and continuity of care.

SASH was initially supported by a Medicare demonstration and funding from the State of Vermont. These funds leveraged existing HUD and Low-Income Housing Tax Credit funding for service coordinators. After the Medicare demonstration ended, the State of Vermont entered into an all-payer waiver with Centers for Medicare & Medicaid Services, through which SASH continues to receive Medicare support.

The latest federal evaluation of SASH, released July 12, 2019, shows significantly slower growth in the cost of long-term institutional care for very low-income SASH participants living in most areas of the state compared to non-participants.

The finding holds true for SASH participants age 65 and older who receive Medicaid to cover the cost of long-term care in nursing homes. Medicaid costs were about \$400 less per beneficiary per year among participants living at affordable-housing sites where SASH is based.

SASH programs are currently available in 138 affordable housing sites and surrounding communities. These programs are operated or hosted by 22 housing organizations.

Sources:

- [“Journal Article Detail SASH Evaluation Findings” LeadingAge LTSS Center at University of Massachusetts, Boston](#)

- [“Support and Services at Home \(SASH\) Evaluation: SASH Evaluation Findings 2010-2016” U.S. Department of Health and Human Services, Assistant Secretary for Planning and Evaluation, Office of Disability, Aging and Long-Term Care Policy, 2019](#)
 - [“The Impact of the Vermont Support and Services at Home Program on Healthcare Expenditures” U.S. Department of Housing and Urban Development, Office of Policy Development and Research](#)
- **HUD Supportive Services Demonstration:** The HUD Supportive Services Demonstration (SSD), also referred to as Integrated Wellness in Supportive Housing (IWISH), leverages HUD’s affordable senior housing properties as a platform for the coordination and delivery of services to better address the interdependent health and supportive service needs of its older residents. The demonstration is testing a model of housing and supportive services with the potential to delay or avoid nursing home care for low-income elderly residents in HUD-assisted housing. The demonstration aims to promote aging in place and improve housing stability, wellbeing, health outcomes, and reduce unnecessary or avoidable healthcare utilization associated with high healthcare costs.

The SSD model funds a full-time Resident Wellness Director (RWD) and part-time Wellness Nurse (WN) to work in HUD-assisted housing developments that either predominantly or exclusively serve households headed by people aged 62 or over. The RWD and WN implement a formal strategy for coordinating services to help meet residents’ needs: The team will assess and identify resident needs; develop Individual Healthy Aging Plans (IHAP); assist residents with implementing these plans and accessing needed services and resources; motivate and encourage residents to adopt beneficial behavior changes and follow-through with appointments and other activities; develop property-level programming based on identified resident needs and interests; engage with community partners, formally and informally, to assist individuals and bring services and resources to the property; engage the property management team and maintenance staff in protecting the privacy of residents and promoting their well-being; and work collaboratively to coordinate services and supports based on individual resident needs.

HUD is implementing the 3-year demonstration in 40 affordable senior housing communities in California, Illinois, Maryland, Massachusetts, Michigan, New Jersey, and South Carolina.

HUD has designed a rigorous evaluation to accompany the demonstration, with the major goal of producing reliable, credible, quantitative evidence for Congress and stakeholders about the impact of IWISH on costly healthcare utilization and transitions to nursing home care. Eligible HUD-assisted properties that applied for the demonstration were randomly assigned to a treatment group that received grant funding to hire a RWD and WN and implement the SSD model and a control group that will continue business as usual.

The evaluation consists of a process study and impact evaluation. The process study will assess fidelity to the IWISH model, successes and challenges to implementation, and answer important questions related to resident health, well-being, and housing. The impact

evaluation will use HUD administrative data and Medicare and Medicaid claims data to quantitatively assess the impact of IWISH on healthcare utilization by comparing those participating in IWISH and those in the control group.

Source: [“Supportive Services for Elderly in HUD Assisted Housing” World Health Organization](#)

Implementation: Addressing the housing crisis for our older adults will require the Governor and his administration to work with the Legislature to come up with solutions.

- First and foremost, lawmakers and regulators must address the lack of housing supply for older adults by implementing Recommendations 1 through 4.
- Next, lawmakers and regulators must enable the provision of supportive services for older adults living in affordable housing by implementing Recommendations 5 and 6.

Person-Centered Metrics: Success will be measured by:

- Decrease in the number of Californians over the age of 65 experiencing housing cost burden
- Decrease in the number of Californians over the age of 65 experiencing homelessness
- Waitlists less than 12 months for affordable senior housing
- Increase in the number of older Californians successfully housed
- Decrease in costs to Medi-Cal and Medicare

Evaluations: More data is needed to show exactly how many units of affordable housing California needs to build to house our growing older adult population. Data shows that currently California needs to produce about 1.4 million units of affordable housing to meet the needs of the total population. Knowing that about 1 in 5 Californians is over age 65, we can make a baseline estimation that California needs at least 280,000 units of affordable housing for older adults – one-fifth of the total statewide need.

- **Short-term (by 2020):** Increase in the number of state-funded affordable senior housing developments compared to 2019. Design service-enriched housing program(s).
- **Mid-term (by 2025):** Increase of 150,000 available affordable housing units for older adults over age 65 in California from 2019. Implement service-enriched housing program(s) in all senior housing units.
- **Long-term (by 2030):** Increase of 280,000 available affordable housing units for older adults over age 65 in California from 2019. Evaluate service-enriched housing program(s) for cost savings and health outcomes.

Data Sources:

- The state tracks very little data on how many affordable senior housing units exist and what income levels the units are affordable to. The data available through the links below accounts for most units.
 - [Low-Income Housing Tax Credit Properties](#) (Total Senior Units in service and in pipeline: 93,840)
 - [HUD Inventory of Units for the Elderly and Disabled](#) (Total senior units: 38,515)

Potential Costs/Savings: To our knowledge, there have been no state-level studies to show the long-term cost savings of a large state investment in service-enriched affordable senior housing. Smaller, local and regional studies (referenced above) have shown significant cost savings to Medicare and state Medicaid programs.

Prioritization: High.

Name of person(s)/organization submitting recommendation:

Jeanne Parker Martin, President and CEO, LeadingAge California

Meghan Rose, General Counsel and Director of Housing Policy, LeadingAge California

Eric Dowdy, Chief Operating Officer, LeadingAge California

Email for person(s)/organization submitting recommendation:

Jeanne Parker Martin, jpmartin@leadingageca.org

Meghan Rose, mrose@leadingageca.org

Eric Dowdy, edowdy@leadingageca.org

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