



Statement of Ms. Nancy R. Eldridge, Executive Director  
Cathedral Square Corporation

Testifying on behalf of the  
American Association of Homes and Services for the Aging

“The Administration’s Proposal to Revitalize Severely Distressed Public and Assisted Housing:  
The Choice Neighborhoods Initiative”

Wednesday, March 17, 2010

Good morning Chairman Frank, Ranking Member Bachus, and members of the Committee. My name is Nancy Eldridge and I am pleased to be here to today, representing the American Association of Homes and Services for the Aging. The members of the American Association of Homes and Services for the Aging ([www.aahsa.org](http://www.aahsa.org)) serve as many as two million people every day through mission-driven, not-for-profit organizations dedicated to providing the services people need, when they need them, in the place they call home. Our 5,700 members offer the continuum of aging services: adult day services, home health, community services, senior housing, assisted living residences, continuing care retirement communities, and nursing homes. More than a third of our membership is housing members; it is the fastest growing segment of our membership; and most of them are assisted housing providers. AAHSA's commitment is to create the future of aging services through quality people can trust.

Cathedral Square currently provides affordable housing for over 1,000 seniors. The housing communities we have developed across the State of Vermont include affordable assisted living; shared housing; multigenerational communities; limited equity coops; housing with wellness clinics and Adult Day programs on site; and barrier free accessible housing for all ages, incomes and abilities. We can not keep pace with the need: we have a waiting list of over 600 seniors.

AAHSA members are not only faced with the challenge of keeping pace with the need for new affordable housing for seniors, we are also facing a new challenge – preserving our existing

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affordable housing. This new challenge is driven by the fact that the health care and long term care needs of our residents are changing dramatically. When we first observed this trend in the

late 1990s we thought affordable assisted living was the answer. We were one of the first 202 providers to receive funding under HUD's Assisted Living Conversion Program. This has provided an affordable option to the lucky few who were able to move there; however, the limitations of Medicaid funding and regulations have led us to conclude that assisted living is not a comprehensive solution to preserving affordable senior housing. Because most seniors do not want to leave their homes, and because alternatives to remaining at home (such as nursing homes) cannot keep pace with the future demand, we are seeking a solution that assumes that seniors will remain in our affordable housing, regardless of the severity of their health or mental health needs.

We believe the needs of seniors will be met through service networks developed at the neighborhood level, networks that can provide a source of employment for younger residents and a source of community service for students. This approach is founded on the idea that successful communities are not possible when we create silos where housing programs are unrelated to supportive services, or the elderly are separated from families. AAHSA is working with member organizations in a number of states to develop Housing with Services models that could be layered onto any neighborhood. Vermont's model – Seniors Aging Safely At Home (SASH) – places housing providers at the center of health care reform. Housing providers will be integrated into our state's electronic health information system connecting housing providers to primary care physicians, community health centers, Visiting Nurse Associations, community hospitals and community mental health agencies. This approach creates the opportunity for housing to serve as a neighborhood HUB for care coordination to seniors who live in the neighborhood, and may have a Section 8 voucher, but do not live in a congregate setting. Perhaps more importantly, the SASH model creates a sustainable funding source through Medicare and Medicaid by reimbursing for quality outcomes vs. volume of services. SASH is a population based approach to meeting the needs of seniors by utilizing the assets of the community. We believe that this



model or similar models could be implemented in many neighborhoods or communities that will be the focus of CNI whether or not a senior housing property is an applicant for CNI funding.

During this hearing, you have asked us to provide our impressions of the Choice Neighborhoods Initiative, to address how the proposal could be improved, how the proposal can provide services to seniors and any other observations about its importance to the revitalization of assisted housing. Let me start by saying that AAHSA believes that Choice Neighborhoods should and could provide

opportunities to advance aging in place strategies that are so critical to the health and success of neighborhoods and to seniors.

We applaud the proposed new Choice Neighborhoods program and the Choice Neighborhoods Initiative Act of 2010 (CNI). It is a logical and welcome successor to the HOPE VI program, builds upon its strengths and addresses some of its flaws. Although AAHSA members have not been involved in HOPE VI, we have observed that in some HOPE VI projects, the housing and services needs of seniors have been addressed.

In CNI, for the first time as sponsors of assisted housing, we will have an opportunity to participate in broad revitalization efforts in our neighborhoods and communities instead of just tackling the preservation of our properties one by one. We believe that the Choice Neighborhoods initiative offers a unique opportunity to address deteriorating neighborhoods of extreme poverty and dilapidated housing where many seniors reside today, creating neighborhoods that will be sustainable and viable for the long term; however, the proposal and the legislation as drafted fail to address the senior population and the services they require to live independent lives in dignity and age in place.

The senior population, those over 65, is expected to double by the year 2030, from 35 million to 70 million. Fifty percent of today's seniors are over 75. Those over 85 –now 3.5 million-- are



expected to double by 2020 and double again by 2040. Half of the seniors over 85 are disabled or frail and that number is projected to double by 2030. More than one third of senior households have incomes at or below \$17,500. Indeed, Harvard's report, *State of the Nation's Housing 2002*, found 8.4 million of the nation's 21 million elderly households have incomes of less than \$10,500 a year. Among the lowest income elderly households (6.5million), 38% pay more than 50% of their annual income for rent.

The proposed program and legislation seem to assume that only families with children reside in neighborhoods of extreme poverty. However in many of the older, poorer neighborhoods that are concentrated in many of our cities, there are concentrations of seniors in addition to the families with children that are the focus of the Choice Neighborhoods Initiative. In rural communities as well, there is a growing senior population. By the year 2030, nearly all of the top ten "oldest states" will be rural with the exception of the number one ranked state, Florida. The top ten in

addition to Florida include Maine, Wyoming, New Mexico, Montana, North Dakota, West Virginia, Vermont, Delaware, and South Dakota.

Many of those elders now reside in public and assisted housing and in the neighborhoods surrounding the housing that is intended as the focus of CNI. Seniors rely disproportionately on federally subsidized housing and public housing. Today, more than 1.6 million households, located in every Congressional District in the country, are subsidized with project-based Section 8 assistance, including Section 202 properties built from 1974 through 1994. Two-thirds of these households include persons who are elderly or disabled. Many of these seniors reside in the old 236 and 221(d)(3) properties so desperately in need of revitalization. In the single family housing surrounding these multifamily properties, many of the residents have tenant based vouchers. Of the 2.1 million voucher holders, nearly 50% are either elderly or persons with disabilities. Nearly one third of public housing residents are seniors, living not only in housing designed for seniors, but in public housing communities where they have lived their entire lives.

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We encourage the Department to recognize that seniors have a unique set of needs and issues when it comes to housing. Our national goal of maintaining diverse, fully integrated, supportive communities where seniors can age-in-place requires an intentional effort. Transforming neighborhoods of extreme poverty into mixed-income neighborhoods of long-term viability must pay close attention to seniors in the community and the service providers necessary to serve them whether or not the CNI applicant is a senior housing provider.

The CNI offers the perfect opportunity to recognize and succeed in that intentional effort. Multifamily housing can be the focal point. The economies of scale created by affordable, multi-unit residential settings provides an efficient platform for the delivery of home and community based services to help residents meet their needs as they age. As I mentioned earlier, the potential also exists for these congregate properties to become a hub for service delivery, extending their reach to seniors in the surrounding neighborhoods. In rural communities, a senior housing site can be the hub for service delivery for the entire community or county. Many proactive housing providers already have cobbled together various public and private resources to help support their aging residents.

The CNI offers a new framework to provide a sustainable system for offering affordable housing with services and encouraging housing providers, service providers, states and local communities to implement these strategies. A CNI that addresses the supportive services needs of seniors offers an opportunity as well for training and job creation for residents in the community. We would respectively recommend that Congresswoman Velasquez' bill, HR 4224, Together We Care Act, be integrated into the Choice Neighborhoods Initiatives Act. That legislation provides for training and employment of home health aides and caregivers for seniors from among the residents of public and assisted housing.



Fundamental to this new framework is collaboration among multiple federal entities and state and local entities to coordinate programs and resources to build a coherent, comprehensive strategy that can amplify the impact of their individual efforts which is at the heart of the CNI. A large number of federal programs across several federal agencies are targeted at seniors. The CNI proposal acknowledges that communities are comprehensive and multi-faceted. Over the last several years the Centers for Medicare and Medicaid Services (CMS) and the Administration on Aging (AoA), have worked hard to encourage reduced dependence on institutional care for seniors and persons with disabilities. The “New Freedom Initiative,” “Money Follows the Person” and “Aging and Disability Resource Centers” are examples of opportunities that have emerged to help seniors remain in their communities.

The need for program coordination is widely acknowledged. Any new effort would benefit significantly by capitalizing on the coordination that has begun within these agencies. As well state and local programs including the State Units on Aging, the Area Agencies on Aging, local aging programs offices, home health agencies, care managers, meals programs, housekeeping and chore services, visiting nurses and other providers already work together to offer services to seniors but in a disparate and scattered way typically home by home. The CNI offers an opportunity to focus and coordinate those services in a central location – the multifamily housing site that could be at the center of a CNI application.

We offer the following recommendations as amendments to the proposed legislation to ensure that the elderly who reside in neighborhoods of extreme poverty are included and served by the revitalization efforts of Choice Neighborhoods. These recommendations assume that seniors reside in these neighborhoods not that senior housing will necessarily be the primary applicant.

Eligible Neighborhoods. Neighborhoods where there are concentrations of seniors should be specifically identified as eligible neighborhoods. Neighborhoods where seniors are living often without health and supportive services are more likely to overwhelm the emergency response teams and hospitals as they cycle in and out of hospital emergency rooms and are every bit as distressed as neighborhoods with poor schools or high crime rates. Although we recognize that



there are limited funds available, we also would hope that CNI be available in rural communities or smaller towns, not just limited to major urban areas.

**Eligible Applicants.** We agree with the applicant list included in the proposed legislation – public housing authorities, local governments, community development corporations, and for profit and not for profits owners and sponsors of assisted housing. However, we would encourage the Congress to require that any application for assistance from a housing owner, public housing, non profit, (including the CDC), and for profit be submitted by a partnership of that housing owner and the local government. The partnership should be established from the start, so that the local government is involved from the beginning and expects to provide the city services and supports that will be necessary to implement a successful transformational plan.

**Authorized Activities.** As it is likely that seniors will be a significant portion of most CNI neighborhoods, developing viable health and supportive services programs in partnership with the local aging services providers should be required. The activities should promote aging in place. Funding endowments, escrows or revolving funds for supportive services are critical if the transformation activities are to serve seniors.

**Transformation Plan and Selection.** Any transformation plan should include demographic projections and local planning with input from senior housing providers, local Area Agencies on Aging and Aging and Disability Resource Centers, and should be required to demonstrate that the transformation plan includes the provision of appropriate supportive services to promote senior independence and aging-in-place.

**Replacement housing.** Revitalizing senior housing typically will not involve demolition or replacement of housing. Most senior housing needs to be rehabilitated to provide accessibility or enhancements so that seniors can age in place – new bathrooms, new kitchens, changes in flooring



and lighting to accommodate the changes in seniors' mobility and sight as they age, and emerging technologies that allow seniors with memory disorders or multiple chronic conditions to remain safely in their home. The only "demolition" is the reconfiguration and combination of efficiency units to create one bedroom units that will better serve seniors. There should be exceptions to the one for one replacement rules included in the draft legislation so that these kinds of renovations can be accomplished. If market demand is still strong, then the revitalization plans should require replacement of hard units in another location in the neighborhood. While tenant based assistance as replacement housing can be suitable for families displaced by revitalization, they are less so for seniors. Where senior housing settings are not part of the transformation plan, the CNI should take special care where seniors are displaced to identify new project based housing opportunities, or to require the right to return to the neighborhood and the new housing.

## Conclusion

Thank you for the opportunity to provide our thoughts about how the Choice Neighborhoods Initiative meets the needs of the elderly. The need for a comprehensive approach to economically distressed neighborhoods and communities is undeniable. We believe that Choice Neighborhoods offers that opportunity but that as proposed it is not comprehensive enough. It fails to recognize that so many of the distressed neighborhoods and communities that are the focus of CNI have significant elderly populations whose service needs seemingly are left out. While we are not recommending that senior properties be the focus of CNI or that a portion of the funding be directed to neighborhoods of senior concentration, we do believe that CNI should address the needs of the many seniors who currently reside in deteriorating neighborhoods of extreme poverty and dilapidated housing . Only in that way will CNI create neighborhoods and communities that will be sustainable and viable for the long term.

