



Testimony on the 2017-2018 Executive Budget Proposal -- Housing

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Thank you for the opportunity to comment on the Governor's proposed Executive Budget for 2017-2018. My name is Stuart Kaplan and I am the CEO of Selfhelp Community Services.

Selfhelp was founded in 1936 to help those fleeing Nazi Germany maintain their independence and dignity as they struggled to forge new lives in America. Today, Selfhelp has grown into one of the largest and most respected not-for-profit human service agencies in the New York metropolitan area, with 27 sites throughout Manhattan, Brooklyn, Queens, the Bronx, and Nassau County, serving more than 20,000 elderly, frail, and vulnerable New Yorkers each year. We remain the largest provider of comprehensive services to Holocaust survivors in North America. Our overarching goal is to help clients to live with dignity and avoid institutionalization.

Our network of services is extensive including: specialized programs for Holocaust Survivors; ten affordable senior housing complexes; four Naturally Occurring Retirement Community (NORC) programs; three case management programs; five senior centers including one of New York City's first Innovative Senior Centers; home health care; client centered technology programs including the Selfhelp's acclaimed Virtual Senior Center; court-appointed guardianship programs; and the Selfhelp Alzheimer's Resource Program (SHARP).

Selfhelp began operating senior affordable housing in 1964, when we built the first senior rental housing project constructed by a nonprofit organization in New York City under the State Mitchell Lama program. Today, we provide housing to approximately 1400 low income seniors in ten residences throughout Queens, the Bronx, and Nassau County. Selfhelp also has an additional 140 units in development at two new sites in Brooklyn.

As you know, the Governor's Executive Budget includes substantial new investments in affordable housing. Among these investments is a proposed appropriation of \$125 million of capital funds dedicated to construction and rehabilitation of **senior housing**, over five years.

Unfortunately, the proposed budget does not include language that would create a distinct **senior housing capital program**. A dedicated program would make it much more likely for strictly senior housing developments to compete for funding from the State and would help to fulfill the Governor's call for New York State to be a leader in age-friendly communities.

An Affordable Senior Housing Coalition, which includes many of the organizations testifying here today, is drafting legislation that would create a distinct **Affordable Senior Housing and Services Program**. We urge you to support this provision and to ensure that it is included in the final adopted budget.

Why an Affordable Senior Housing and Services Program?

We have learned that affordable housing with supportive services for mental health and behavioral health populations saves money. New York State's Medicaid Redesign Team (MRT) initiative has made substantial investments in affordable housing with supportive services that help keep these populations stably housed, avoiding costly shelters and other institutional settings, and dramatically improving quality of life for thousands of formerly homeless New Yorkers.

Unfortunately, New York has yet to make similar investments in senior housing -- the primary social determinant of health -- to assist the elderly, many of whom will eventually need and be eligible for Medicaid-funded nursing home care at great expense to New York State. While many seniors are not currently users of Medicaid services because of coverage under Medicare, frail seniors are likely to become "high cost users" of Medicaid, if they have no other choice than to move to a nursing home and either immediately or eventually receive coverage through Medicaid. An Affordable Housing with Services Program is far less costly than skilled nursing facilities which cost upwards of \$100,000 per year and are not always the most appropriate place for people to live as they age.

A model housing and services program employed at Selfhelp offers much more than just an affordable place to live. Social workers support residents' independence and quality of life as they age in their homes. Services include information and referral, wellness programs, volunteer opportunities, social events and connections to community-based resources that offer meals, home care, case management and more. These services are available *if and when* requested by the residents.

To this end, our coalition has also proposed adding \$10 million to the budget for the **Senior Housing Resident Service Coordinator Program**, which would put up to 125 new service coordinators in new and existing senior housing around the state. Service coordinators in senior housing residences have proven to reduce health care costs by reducing unnecessary hospitalizations, and premature entry into Medicaid-funded nursing homes. By encouraging health and wellness, and effective use of the primary health system, this investment has enormous cost savings potential. There is currently no funding stream for this service, and an investment would greatly enhance this program.

The Affordable Housing and Services Program including the Senior Housing Resident Service Coordinator Program would put New York State in the forefront of Senior housing in the nation, and again make us leader in age-friendly communities.

Background

At this point, we've all heard the statistics about the aging of our population. In this context it is important to again consider these factors:

- In 1990, there were 20 million households aged 65 and up; by 2010, this number had grown to 25.8 million, and by 2030, aging Baby Boomers will expand the number of senior households to 46 million, according to the Urban Institute. The number of senior renters nationally is expected to more than double, from 5.8 million in 2010, to 12.2 million in 2030 (UI).
- A tremendous number of seniors across the state are severely rent burdened. In New York City, more than 65% of senior households paid more than 50% of their income for rent.
- The Urban Institute, the Bi-Partisan Policy Center, and the Joint Center for Housing Studies of Harvard University, have all recently published reports about the importance of addressing the growing need for senior housing and related services.
- The HUD Section 202 program, which for decades was the go-to program for nonprofit developers of affordable housing for seniors, has essentially been discontinued, and now only exists as renewals of existing rental assistance contracts. There have been no new 202 capital advances since 2011.

Health, Wellness and Social Engagement

As our population ages, **health, wellness and social engagement** in senior housing is critical to ensuring that seniors can age safely at home, while avoiding unnecessary entrance into more costly institutional settings.

- **Senior Housing and Services** allows seniors to live independently while accessing assistance and services, usually through a resident service coordinator or social worker. *Housing and Services* for seniors is a very different model than *supportive housing*, which usually provides direct services for mental health and behavioral health populations.
- Senior housing communities provide social interactions that improve quality of life and allow seniors to age in their homes with dignity and independence. Residents are moving into senior housing buildings later in life. They are older, frailer, staying longer, and have significantly greater health needs than years ago, due to advanced age.
- Senior housing is the primary social determinant of health that enriches lives and reduces health care costs. A recent study on the impact of resident service coordinators in senior housing demonstrated that elders who live in buildings with a service coordinator or advisor, are less likely than other seniors to be hospitalized,

or re-hospitalized after being released. (*"Affordable Senior Housing Plus Services: What's the Value?"* (Source?) November, 2015).

- Resident advisors, when working in coordination with community service providers, have the potential to drastically reduce associated health care costs through wellness, exercise and nutrition programming.
- Seniors have fewer family supports than in the past. Adult children of seniors are more likely than ever to live great distances from aging parents. Shifts in the economy have caused families to move to other regions, forcing many seniors to rely on resources in their communities.

Conclusion

In his recent State of the State address, Governor Cuomo announced a new initiative that would make New York the first "age-friendly state in accord with the eight Age Friendly/Livable Community Domains outlined by the World Health organization and AARP". We applaud this effort, and suggest that our proposal is very much in sync with the Governor's stated goal. Senior Housing and Services saves money and improves quality of life. We owe that to the elders of our state. We encourage your support of the capital appropriation, the creation of the Affordable Senior Housing Capital Program, and the Senior Housing Resident Service Coordinator Program.

