

Senior Housing Stakeholder Group Recommendation Report

Introduction

Seniors in New Jersey have been left behind. As people age, more find their resources dwindling; as incomes become stagnant, many older adults are dependent on social security and fixed incomes. Unable to keep pace with the rising cost of housing, seniors are becoming “unhoused” or housing insecure. Too many are at risk of actual-on-the street homelessness, unnecessary institutionalization in nursing homes, or remaining in aging homes that are in need of costly upkeep and repair but without the economic resources to maintain them. The consequences are profound. As options become more limited, the threat to the health and safety of our seniors increase along with the costs of more acute health and social services. The result is that not only is the quality of life for our aging adults severely diminished, but the burden to our public finances is more severe. We can do better.

The Senior Housing Stakeholder Group formed and began to convene a year ago to discuss the obstacles and challenges and to examine why housing security is different for seniors. We applaud the efforts and attention of those policymakers who have already given consideration to housing needs. Through our work together as stakeholders from various organizations, we have developed recommendations to expand the resources for housing, in particular those that may benefit our increasing older adult population.

The Facts

The increase in the aging population coupled with the lack of affordable and accessible housing in NJ has left many older adults wondering how they will be able to age in their own communities. Faced with increasing housing costs and limited affordable and appropriate housing options some seniors feel they have no place to go. According to the 2016 Elder Economic Security Standard Index (Elder Index)¹, which represents the cost of living expenses (housing, health care, transportation, food and miscellaneous) for elders age 65+ in New Jersey, “New Jersey elders cannot meet their basic living expenses whether they live at the Federal Poverty Level or the level of the average Social Security benefit.” For elders living alone and in good health, the statewide New Jersey Elder Economic Security Standard Index for 2016 is:

\$27,696 (for homeowners without a mortgage),

\$29,016 (for renters)

\$41,016 (for homeowners with a mortgage)

New Jersey’s statewide Elder Economic Insecurity Rate (EEIR) is 54%, meaning more than half (54%) of New Jersey’s seniors do not have the annual income needed to provide for their basic needs, including housing, as they age.

¹ State of NJ, Dept of Human Services, Div. of Aging Services, “The 2016 NJ Elder Economic Security Standard Index” <http://www.njfoundationforaging.org/wp-content/uploads/2013/12/NJ-EESSI-2016.pdf>
State of NJ, Dept. of Human Services, Div. of Aging Services “Living Below the Line” Measuring the Economic Security Among NJ’s Retired Seniors” <http://www.njfoundationforaging.org/wp-content/uploads/2013/12/Living-Below-the-Line-2017-1.pdf>

Others are faced with more difficult challenges, 30% of older adults in New Jersey have Social Security as the only source of income, while eight percent of New Jersey's older adults live at or below the federal poverty level. The average Social Security benefit in New Jersey is \$18,065 per year for an individual retired worker. Many seniors at these very low-income levels are not sure if they can afford to stay in their homes or if they'll even be able to afford a new place to stay.

While New Jersey has made significant strides in curbing the tide of homelessness- resulting in a 50% drop in overall homelessness between 2007 and 2017, very little attention has been paid to the health and housing needs of homeless older adults. Homeless older adults, often proud and hesitant to ask for economic assistance, are in many ways, an invisible and yet growing population. Older adults (ages 50-61) and seniors/elderly (ages 62 and older) constitute an increasing percentage of people at risk of or experiencing homelessness. New Jersey's 2017 Point-in-Time Count, an annual report providing a snapshot of the state's homeless households reveals nearly 18% of those experiencing homelessness were over the age of 55, representing the second largest homeless age demographic followed by those aged 45-54. This significant demographic trend is compounded by the fact that older homeless adults tend to have more complex, long-term behavioral and physical health challenges as compared to younger homeless individuals; yet their health and housing needs often go unaddressed, resulting in avoidable high-cost interventions such as hospitalizations or institutionalization.

Furthermore, researchers have found that homeless older adults have higher rates of geriatric conditions than that seen in housed adults 20 years older. Such findings suggest that housing and services addressing geriatric conditions are needed for older homeless adults living across varied environments.

There is also a growing number of New Jersey seniors living in nursing homes and other institutional settings who could return to the community with supports and services, but who lack an affordable and accessible home to which to return.

With the general population shifting to an older demographic, we need to think about the structure and design of our communities to meet their needs, including an affordable place to live. According to estimates for the US Census Bureau, NJ will see a 32% increase in those ages 60+ by 2034 and that the 75+ population will grow by 65% over the same time period. By 2030 estimates say that there will be 1.8 million people in NJ over the age of 65. This is a trend nationwide and is often referred to as the "graying of America". For example, in 1950 only 8% of the US population was over 65 years of age by the year 2030 over 20% of the population is expected to be 65 years or older.

We know that many of today's older adults prefer to age in place, meaning they would like to stay in their own homes or move into smaller, more accessible homes within their own community. Aging in

Place saves the government money because seniors receive supportive services on an as needed basis instead of moving to an assisted living or nursing facility. There are some key factors that impact an older adult's ability to age in place. Some of which were identified in *Housing America's Older Adults: Meeting the Needs of an Aging Population*, a Joint Center for Housing Studies of Harvard University (2014):

Much of the nation's housing inventory lacks basic accessibility features, preventing older adults with disabilities from living safely and comfortably in their homes.

The nation's transportation and pedestrian infrastructure is generally ill-suited to those who cannot or choose not to drive, isolating older adults from friends and family.

Disconnects between housing programs and the health care system put many older adults with disabilities or long-term care needs at risk of premature institutionalization.

Not only is aging in place a preference, but also a necessity when you look at the cost of long term care and the limited eligibility for programs like Medicaid. According to Genworth Financials 2017 Cost of Care report², a private, one bedroom in an Assisted Living Facility in NJ would cost \$5,811 per month. Their study also indicates that a room in a nursing home (whether private or semi-private) would cost over \$10,000 per month. There has been a rebalancing effort in NJ to shift from facility based Long Term Care to community-based services. This is another area where NJ has made great strides, but more progress is needed.

Home health care services are cost prohibitive for many New Jersey seniors, especially for those who do not qualify for Medicaid or other programs. The Genworth report states that for one individual requiring several hours of care per week, homemaker services cost an average of \$4,195 per month and home health aide services \$4,385 per month. Adult day care programs cost \$1,950 per month. While some low-income seniors can qualify for home-based Medicaid services to defray these expenses, those with slightly higher incomes (making more than approximately \$4000/month) typically do not. This leaves a large swath of New Jersey seniors who have too much income to qualify for Medicaid but who can't afford the private cost of services they need to stay safe at home. This further contributes to a cycle of institutionalization, as many seniors put off needed care until they experience some serious crisis and end up in a nursing home.

Older adults transitioning into the community from institutional settings need access to safe, quality, affordable and accessible housing. At any given moment, there are hundreds of seniors waiting to come out of New Jersey nursing homes and/or mental institutions, who do not have an affordable or accessible apartment/home to which to return. Almost all need help finding, securing, and maintaining housing to meet their specific needs.

Supportive housing, a proven evidence-based intervention which combines affordable housing with supportive services that help people facing the most complex challenges live with stability, autonomy,

² Genworth Cost of Care 2017 <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>

and dignity – is a model that works to address homelessness including among older adults and can prevent premature placement into costly nursing homes or other institutions. Supportive housing is also experiencing a “graying” consumer population that calls for changes in the way that quality supportive housing is provided. Nationally, nearly 40% of supportive housing consumers are over the age of 50; these consumers are either aging in place or are newly entering supportive housing at a later age. An expanding body of evidence demonstrates that supportive housing can appreciably decrease the use of crisis Medicaid-funded care as people stabilize in their housing. Many individuals experiencing chronic homelessness make frequent and potentially avoidable use of emergency departments and inpatient hospital treatment. Additionally, frail, older adults residing in nursing homes, adult homes, and long-term rehabilitation who do not require such high levels of care remain institutionalized because they would otherwise fall into homelessness. The inefficient use of these high-cost public services has been a major motivator for supportive housing, which has been shown to help tenants reduce service costs while improving tenant outcomes. Given the high cost of nursing facility care and the generally lower cost of Home and Community Based Services (HCBS), the state is spending thousands of Medicaid dollars per month maintaining homeless people in nursing homes. We know that annually supportive housing costs on average about \$30,000 (not including the rental subsidy) as opposed to \$68,700 annually for Skilled Nursing Facility (SNF) and \$116,800 for nursing home NH in NJ.

Easy access to services coupled with appropriate recreation options embodies the concept of age-friendly communities. It is more cost effective to create age-friendly communities than to house our seniors in nursing homes or other costly institutions. The following public policy recommendations will promote age-friendliness through financially sustainable, appropriate housing for our citizens over the age of 65.

Recommendations

1. Increase funding available for affordable housing for seniors

The need for affordable housing has been well documented. For every assisted household in New Jersey, three times as many low-income households are homeless or pay more than half their income for rent and do not receive any federal rental assistance due to limited funding. For seniors living on fixed incomes, especially in an inflationary economy, domicile expenses should not exceed 30% of the annual income. With many seniors in NJ paying 38% or more of their total budget on housing the result is an increase in food insecurity and health issues. This is tip of the iceberg.

The solution is funding to begin to address the need in NJ for affordable homes, especially for seniors. The years of underfunded investments in housing has decreased options for people to find or maintain affordable homes. The trend must be reversed.

New Jersey must commit the funds needed to begin to address the need for affordable homes. The Housing and Community Development Network of NJ’s “Build a Thriving New Jersey” blueprint calls on

Governor Murphy and his administration, along with legislative leaders, to restore \$600 million annually into a strategic set of housing and community investments that has been siphoned away for nearly a decade. Specifically, we need to ensure that municipal fair housing plans continue to be approved through ongoing court cases, including through court settlements among fair housing advocates, municipal leaders and community developers. We need to use funds collected for the “NJ Affordable Housing Trust Fund” primarily to fund rehabilitation and construction of new homes that New Jerseyans can afford. Under the Christie Administration less than one percent of the fund went for this purpose. Additionally, we should reinstitute the Special Needs Housing Trust Fund. This fund helped produce over 2,000 homes for special needs populations such as homeless individuals, individuals with developmental disabilities and mental health consumers before it ended in 2011.

2. Increase the number of rental subsidies available to seniors

New Jersey is the most unaffordable state in the nation for a senior to secure an apartment. The State Rental Assistance Program provides tenant-based and project-based rental assistance grants, comparable to the Federal Housing Choice Voucher Program, and there is an elderly set-aside reserved for senior citizens aged 62 or older. The current State Rental Assistance program serves 4,000 New Jerseyans. This program needs to be expanded to address unmet needs.

3. Make access to existing programs easier with a sole entity within state government to coordinate housing programs.

Establish a NJ Statewide Housing Director. The issue of available, accessible and affordable housing is one that spans across state agency departments. This position, located in the office of the Governor with the authority to control/manage decisions across all applicable NJ Departments will be responsible for interagency and cross-sector collaboration, regulation waivers/troubleshooting and coordination with Federal, County, Municipal and private funding sources. Such a position would be able to maximize resources for the vulnerable populations identified through a statewide housing needs assessment (see recommendation 4).

Currently affordable housing programs are part of several different agencies in state government creating "silos" in which each agency handles its own housing programs. A dedicated position and office at the cabinet level could normalize eligibility criteria, standardize application forms, centralize housing lists and coordinate entry into programs to make it easier for seniors to access affordable and appropriate places to live.

4. Facilitate a statewide Affordable Housing Needs Assessment

(with a specific focus on Older Adults)

The Housing Needs Assessment will analyze existing community data with local and national data in order to develop a concrete affordable housing (including supportive housing) development goal and plan. This assessment will be used to inform the development of unit goals, projected financial costs for

the development, operation and delivery of services for such units; and a breakout of the level of supportive housing need for targeted homeless sub-populations including the aging. The assessment includes homeless individuals as well as those currently institutionalized that could transition into community with the right level of supports.

5. Housing One-Stop

Once a unified vision of housing across populations is established, consumer-level improvements can also be established. An important improvement on a consumer level would be the creation of a housing one-stop system for those seeking affordable homes. The One-Stop system would save time, match the level of need with the appropriate units available, and create a system where no one falls through the cracks. Implementing this system would also significantly and specifically address the difficulty in locating and applying for senior housing. Right now seniors must separately apply for each housing development they learn about, keep track of being on multiple waiting lists, and apply to many agencies for subsidies. Subsidies come from a variety of sources, each with differing eligibility and application processes. Navigating the myriad of options is complex and can be difficult for even the most technologically-savvy.

Our goal is to build on successful models such as the NJ Department of Labor One-stop system or the municipality of Princeton, NJ where they have recently adopted a universal rental application system in which a person fills out one application to be on the waiting list for every development in town for which they are eligible.

6. Develop and implement innovative Housing First supportive housing pilots

These pilot programs would be targeted to assist older residents and modeled after New York state's Senior Supportive Housing pilot. This pilot initiative was designed to assist low-income seniors to remain housed in their current apartments for as long as possible by providing funding for unit modifications and supportive services to seniors experiencing homelessness, living in an institutional setting, or housing insecure. A review of this pilot found that supportive care models coupled with physical unit modifications resulted in reduced expensive medical interventions, including emergency department utilization, hospitalization, and nursing home placements, and ultimately bolstered tenant stability and independence.³

7. Promote policies that allow seniors to age in place, including tax credit for retrofitting existing homes and requiring new units to abide by Universal Design standards.

³ CSH, "Promoting Healthy Aging in Supportive Housing: A Review of the MRT Senior Supportive Housing Pilot," http://www.csh.org/wp-content/uploads/2018/01/SSH-Pilot-Whitepaper_FINAL.pdf

As people age in place, so does their housing. By incentivizing home modification that incorporates Universal Design, aging in place can be more successful. There is a model in Virginia that could be looked at in considering a similar program in NJ. The NJ Barrier Free code that NJ uses, requires that all new construction of multifamily housing be adaptable/accessible. Each unit must be adaptable, with the capability to easily make it accessible. However, in order to allow seniors to age in place more easily, Universal Design should be incorporated into all new affordable senior housing. This recommendation includes working with HMFA and DCA to promote Universal Design principles and best practices within the affordable, multifamily housing community. Additional interventions would include “replace and repair programs” for seniors where they can qualify for financial assistance to maintain their homes safely and tax benefits programs to reduce taxes for seniors, so they can stay in their home communities, incentives for modifications etc. For replace and repair to be effective, rental units also need to be upgraded. We recommend that a low-interest fund be made available for landlords who retrofit to make their buildings more age-friendly.

8. Advocate for a cap on each homeowner’s annual property tax assessment

This cap would be based upon a reasonable percentage of the senior’s annual income, and/or implement a flat rate Homestead Exemption without income test.

Capping tax assessments based on the senior homeowner’s total income would keep housing costs more predictable and sustainable for older adults. For individuals 65+ who own their own home, a homestead exemption would apply a flat rate discount to their property valuation.

9. Provide Incentives for Landlords

Provide a tax credit for landlords with senior tenants if rent increases do not exceed a threshold so that seniors can remain in their homes despite fixed incomes. Similar to that of New York City’s Senior Citizen Rent Increase Exemption (SCRIE, also known as the NYC Rent Freeze Program) which freezes the rent for head-of-household seniors 62 and older who live in rent-regulated apartments. In order to satisfy the income eligibility requirement, the senior’s household income must be \$50,000 or less.

Landlords are given a property tax abatement credit applied to their property tax bill in the same amount as the increase that the tenant is exempted from paying. Such a tax credit would save the state and counties significant resources when compared to the cost of institutionalization for seniors who cannot afford increasing rents, especially in gentrifying areas. Seniors benefit from staying in their communities.

10. Advocate for reintroduction of Municipal Volunteer Property Tax Reduction Act at State level

A NJ bill that was modeled after the successful Tax Work-Off plan in Massachusetts⁴, passed the legislature but was vetoed by Gov. Christie in 2017. The program is not intended to replace Municipal workers or obtain unethical labor from senior residents. Municipal governments often face the reality

⁴ <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleIX/Chapter59/Section5K>

that their staff has little time to complete discretionary projects; this bill allows qualified senior residents to offer to volunteer for work on those projects under the supervision of an appropriate Township employee. Seniors will get paid a predetermined sum for that work. Each project should have a written scope of work associated with it. The monies accrued for that work will then be deducted from that senior resident's property tax bill in the year following completion of the project. Typical projects that are envisioned by this act would include IT projects, research projects, event management, etc.

Participants may be asked to do anything from painting fire hydrants to answering phones, to stacking books in the local library, to event management, to upgrading an outdated computer system. In return, they receive a record of their work which is also sent to the local assessor in order to reduce the volunteer's property tax bill. The value of the work is not considered to be wages and therefore is not taxable.

The tax work-off abatement law allows a city or town to establish a program giving property owners 60 or older the opportunity to volunteer services to the city or town in exchange for a reduction in property tax of up to a fixed amount, say \$1,000. The city or town, not the state, administers the program, keeping track of hours worked and crediting for each hour worked an amount not to exceed the minimum wage.

Summary

We must start thinking of housing as one of the primary social determinants of health. Easy access to services coupled with appropriate recreation options embodies the concept of age-friendly communities. It is cheaper to create affordable and accessible communities than to house our seniors in nursing homes. We are making public policy recommendations that will result in communities that are friendly for all ages and all needs. Which should include financially sustainable, appropriate housing for our citizens over the age of 65.

The Senior Housing Stakeholder Group respectfully submits these recommendations with the hope that next steps can be identified to move the conversation to expand housing opportunities for seniors forward. These recommendations are by no means exhaustive. However, they represent an important step that would improve the lives of seniors and their ability to live full and healthy lives in communities throughout New Jersey. The improvements gained from the implementation of these recommendations are also not limited to seniors but will have benefits for all people struggling with economic or accessibility challenges.

Stakeholder Organizations

Aetna
Age Friendly Englewood
Age Friendly Ridgewood
Age Friendly Teaneck
Amerigroup
Catholic Charities Archdiocese of Newark
Corporation for Supportive Housing (CSH)
ERF Consulting
Geriatric Services, Inc
Grotta Fund for Senior Care
Horizon NJ Health
Housing Authority, City of Elizabeth
Housing and Community Development Network of NJ
Lifelong Elizabeth
Lifelong Montclair
Lifelong Plainfield
Lutheran Social Ministries of NJ
Meals on Wheels of North Jersey
NJ Community Capital
NJ Foundation for Aging
NJ State Association of Jewish Federations
PennReach
SOMA. Two Towns for All Ages
Supportive Housing Association of NJ (SHA)
The Henry and Marilyn Taub Foundation
United Healthcare
Wellcare

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