



Testimony on the 2025-26 Executive Budget Proposal: Housing

Testimony Provided by

Annalyse Komoroske Denio
Senior Policy Analyst
LeadingAge New York

Thursday, February 27, 2025

Introduction

On behalf of the membership of LeadingAge New York, thank you for the opportunity to submit written testimony on the State Fiscal Year (SFY) 2025-26 budget for the Division of Housing and Community Renewal (DHCR) and the housing needs of New York's older adults. LeadingAge New York represents over 350 not-for-profit and public providers of senior housing, aging services, and long-term and post-acute care, as well as provider-sponsored Managed Long-Term Care (MLTC) plans and Programs of All-Inclusive Care for the Elderly (PACE). Of our members, more than 130 are mission-driven senior housing providers, with approximately 80 of those offering subsidized and income-restricted rentals to independent, low-income older adults.

Safe, affordable housing is a critical foundation for New York's growing number of older adults to age in their communities, and to extend their healthy living years for as long as possible. In addition to age-appropriate design and accessibility features specific for older adults, multifamily senior housing offers the opportunity for socialization and can be a platform for connections with aging-related services or resources in the community. These elements help ensure housing stability and better quality of life for older New Yorkers while mitigating their reliance on higher, more costly levels of publicly funded care.

We appreciate Governor Hochul's commitment to fighting for families in her proposed budget, but unfortunately, there are some important people missing from the families that the Governor says she is fighting for. They are our parents, grandparents, aunts, and uncles who are aging and in need of specialized housing and community-based preventative programming. The Master Plan for Aging (MPA) may, in the future, provide an aspirational blueprint across agencies for the care and treatment of older adults living in New York, and we commend its emphasis on housing as a critical social determinant of health. However, the MPA's future-oriented focus turns a blind eye to current pressing needs.

As New York approaches a demographic precipice – with nearly 20 percent of the population projected to be aged 65 or older within the next year and the percentage of working-age adults to care for them continuing to shrink – the State must invest in modest and innovative senior housing programs now, before today's independent older adults age prematurely and need more advanced care.

The following testimony outlines our recommendations to achieve this goal by establishing an Affordable Independent Senior Housing Resident Assistance Program and by working to identify and invest appropriately in the housing needs of low- and middle-income older New Yorkers.

Fund Resident Assistants for Low-Income Independent Older Adults (A.1948/S.956)

LeadingAge New York and our housing provider members are calling for the commitment of \$10 million over five years to fund the creation and operation of an Affordable Independent Senior Housing Resident Assistance Program ("Resident Assistant Program"), which would connect low-income, aging residents living in affordable senior housing properties across the state with community resources that foster healthy, independent living.

"Resident Assistants" would be on-site employees in affordable senior housing properties who are available upon resident request to help address aging-related needs by providing information and referrals to supports in the community; education regarding Medicaid and other benefits; and assistance with accessing these benefits, services, and preventative programming. Resident Assistants may help with scheduling and obtaining transportation to appointments and with the use of technology

to support telehealth visits and virtual social engagement. They may also provide on-site social and wellness programs to combat social isolation and strengthen healthy living habits such as exercise and good nutrition.

Many of the older New Yorkers living in these apartments are income-eligible for Medicaid, but are likely to have difficulty navigating the network of health and social supports that could help them stay healthy and age in place. By addressing the social determinants of health for this vulnerable population, Resident Assistants would help low-income older adults stay healthy in their homes and delay or prevent the need for higher-cost health and long-term care services.

A total of \$425 million in capital has been committed to developing affordable housing for low-income older adults in recent five-year spending plans for DHCR, but without complementary operational funds, the resulting properties have little or no avenue outside of charitable donation to maintain a Resident Assistant staff person. Moreover, an estimated 460 federally funded properties and many other publicly assisted properties do not currently have access to funding that would allow them to hire a Resident Assistant and better meet the needs of the thousands of low-income older adults they serve.

A \$10 million investment in the proposed Resident Assistant Program would provide grants to at least 16 100-unit affordable senior housing buildings to support the wages, training, and budget to **make an on-site Resident Assistant staff person available to 1,600 or more low-income older adults.**

In addition to promoting housing stability and general wellness for low-income older adults, rigorous studies have proven that this model of resident assistance results in reductions to Medicare and Medicaid spending. The Selfhelp Active Services for Aging Model (SHASAM), which inspired this Resident Assistant proposal, offers social work services to support the health and wellness of low-income residents aging in their own home. A New York-based study of the SHASAM program featured in *Health Affairs* found that the average Medicaid payment per person, per hospitalization was \$3,937 less for Selfhelp residents as compared to older adults living in the same Queens ZIP codes without services. According to the study, Selfhelp residents were also 68 percent less likely to be hospitalized overall.¹ Furthermore, with the SHASAM resident assistance program in place, [less than 2 percent](#) of Selfhelp's residents are transferred to a nursing home in any given year.²

In 2016, the Center for Outcomes, Research & Education issued a report on a separate study conducted in Oregon that showed a 16 percent decline in Medicaid costs just one year after older adults moved into affordable housing with a Resident Assistant. Their analysis included 1,625 individuals, 431 of whom lived in properties that serve older adults and individuals with disabilities. The statistic of 16 percent savings in Medicaid costs breaks down to a savings of \$84 per month for each individual in this subset, or \$434,000 over a 12-month period, for the relatively low number of 431 individuals.³

Based on LeadingAge New York analysis of this data and the SHASAM program, a \$10 million investment of State funds over five years to support Resident Assistants would **result in a net savings of \$4.5 million**

¹ Gusmano, MK. Medicare Beneficiaries Living in Housing With Supportive Services Experienced Lower Hospital Use Than Others. *Health Affairs*. Oct. 2018.

² The New York Housing Conference. Spotlight: A Conversation with Mohini Mishra, Selfhelp Realty Group. July, 2021.

³ Li, G., Vartanian, K., Weller, M., & Wright, B. Health in Housing: Exploring the Intersection between Housing and Health Care. Portland, OR: *Center for Outcomes, Research & Education*. 2016.

in Medicaid dollars to the State annually – or \$2.25 for every dollar invested. And, because this program would be designed to pair these resources with existing affordable housing properties, **State funding to support its creation would result in immediate, real-time return on investment and better outcomes for low-income older New Yorkers.**

Over recent years, New York has invested heavily in the supportive housing model, which is an effective method of achieving similar outcomes as the proposed Resident Assistant initiative, but for different populations. The number of low-income older adults in New York is rapidly growing, and these individuals will ultimately rely on Medicaid for some level of assistance or care. However, many of them will not qualify for supportive housing programs. In order to qualify for supportive housing, older adults must typically meet additional criteria, such as being homeless, at risk of homelessness, unstably housed, or unnecessarily institutionalized. Conversely, the Resident Assistant initiative is intended to address the needs of older adults living in subsidized and income-restricted housing by virtue of their age and income alone, and to do so *before* homelessness or entry into a higher level of long-term care becomes necessary.

A \$10 million investment of State funds over five years would support Resident Assistants in at least 16 100-unit affordable senior housing buildings, serving approximately 1,600 low-income older adults and resulting in a State-share Medicaid savings of at least \$2.25 for every dollar invested.

In the wake of the COVID-19 pandemic's negative effects on the social, emotional, and physical well-being of New York's growing population of older adults, and given the workforce and funding challenges plaguing higher-level health and long-term care settings, the State must leverage senior housing for preventative and wellness programming now, before independent older adults need more advanced care. For these reasons, LeadingAge New York, our members, and our advocacy partners strongly support the Resident Assistant Program's inclusion in the SFY 2025-26 budget.

Study the State's Low- and Middle-Market Senior Housing Needs

While LeadingAge New York appreciates the State's recent efforts and evolving proposals to combat the ongoing affordable housing shortage, we remain concerned about its readiness to meet the housing needs of the growing number of low- and middle-income older adults. We recommend that the State take steps now, in advance of developing the next five-year capital spending plan, to understand and address the dearth of affordable housing suitable for older adults.

Nearly one in eight older New Yorkers is living in poverty, with higher rates of impoverishment for Black, Hispanic, Asian, and immigrant older adults.⁴ In New York City, since Housing Connect 2.0 launched in 2020, almost 140,000 households that included someone 62 or older have registered online. However, only 1,900 older adult households received units between 2020 and the fall of 2023, representing only 1.4 percent of the older adult households registered in the system, with an average of 69 applications submitted for each available senior housing unit.⁵

At the same time, it is projected that the population of middle-income older adults – who are too wealthy to qualify for most affordable housing programs but not wealthy enough to afford market-rate rentals – will continue to grow and that, by 2029, these individuals will account for 43 percent of the

⁴ [Keeping Pace with an Aging New York State | Center for an Urban Future \(CUF\).](#)

⁵ Ibid.

total older adult population.⁶ These projections indicate that approximately 60 percent of middle-income older adults in 2029 will have mobility limitations, and one in five of these older adults is likely to have three or more chronic conditions and one or more limitations with the activities of daily living.⁷ These individuals – many of whom earn just a few dollars more than affordable housing income guidelines – are at risk of quickly spending down assets, only to then qualify for Medicaid-funded services and unnecessarily occupy a higher level of care setting due to a lack of affordable housing options.

Despite these startling statistics and the clear need for additional units that are available to, and appropriate for, low- and middle-income older adults, less than 7 percent of the funds included in the recent five-year spending plans for DHCR are reserved for low-income senior housing development. In addition, funding to support the development of units affordable to middle-income households are generally committed to projects serving individuals and families, limiting the options for older adults who are not able to afford market-rate rentals.

To help avoid a compounding housing and long-term care crisis, and to ensure that future spending plans are balanced and effective for New York's aging population, LeadingAge New York recommends a State-directed study to evaluate the housing-related needs of low- and middle-income older adults and the effectiveness of the State's current spending plans in meeting those needs.

Conclusion

In the face of increasing demand for aging-related services and devastating cuts to higher levels of long-term care, the State must make modest investments in preventative programming for older adults who benefit from living in affordable, accessible, and service-connected housing for older adults. Committing \$10 million over five years in the SFY 2025-26 budget to support Resident Assistants in affordable independent senior housing and evaluating the State's effectiveness in meeting the housing needs of low- and middle-income older adults are low-cost initiatives that can keep vulnerable New Yorkers living in the community, reduce pressure on more expensive and staff-intensive services, and ultimately result in a significant return on investment via Medicaid savings.

Founded in 1961, LeadingAge New York is the only statewide organization representing the entire continuum of not-for-profit, mission-driven, and public continuing care, including home and community-based services, adult day health care, nursing homes, senior housing, continuing care retirement communities, adult care facilities, assisted living programs, and Managed Long-Term Care plans. LeadingAge New York's 350-plus members serve an estimated 500,000 New Yorkers of all ages annually.

⁶ Pearson, Caroline F., Quinn, Charlene C., Loganathan, Sai, Rupa Datta, A., Burnham Mace, Beth, and Grabowski, David C. (2019). *The Forgotten Middle: Many Middle-Income Seniors Will Have Insufficient Resources for Housing and Health Care*. Health Affairs 38, No. 5: 851-859.

⁷ *Id.* at 857.