



**Assembly Aging and Senior Services Committee Testimony on
Senior Housing Instability and Affordability
Thursday, February 3, 2022**

Good afternoon, Chairperson McKnight, Vice-Chairperson Tully, and members of the Assembly Aging and Senior Services Committee.

My name is Arnold Cohen, Senior Policy Advisor of the Housing and Community Development Network of New Jersey. The Network represents nearly 300 community development corporations, individuals and other organizations that support the creation of affordable homes, economic opportunities, and strong communities. The Network is also the state's largest, funded HUD-certified housing counseling intermediary serving NJ exclusively. Our members are involved in providing affordable senior housing throughout New Jersey, counseling seniors on their housing issues and helping make repairs on homes owned by seniors so they can continue to live in place.

Seniors in New Jersey are experiencing a housing crisis. Public Law 2015, Chapter 53, mandated the NJ Department of Human Services (DHS) to update the New Jersey Elder Economic Security Standard Index (Elder Index). The New Jersey Elder Index is a tool that measures the income older adults require to make ends meet and to remain in their own homes. The latest 2019 report was prepared by the Edward J. Bloustein School of Planning and Public Policy at Rutgers, on behalf of the DHS. This report, which was released before the current pandemic, shows more than five in ten (52 percent) of New Jersey retired senior-only households lack incomes that will insulate them against poverty as they age.

The highest cost facing seniors is housing. **Seventy-nine 79% of elder renter households lack economic security incomes.** Fifty-one percent of elder homeowners with mortgages and 37 percent of elder homeowners without mortgages lack economic security incomes. This affects different populations in different ways. **Seniors of color are much more likely to lack economic security incomes** than white seniors. EIRs range from 49 percent for white seniors to 83 percent for Hispanic/Latino seniors.

This also varies greatly by county. The insecurity rate is highest in Hudson County (74.6 percent) and other northern counties. **Yet average Social Security payments do not meet statewide average or county Elder Index expenses for any of the state's retirees.** A single renter who relied entirely on New Jersey's average Social Security payment for men fell nearly \$7,500 short of the statewide Elder Index for renters. A single renter who relied entirely on the state's average Social Security for women fell nearly \$12,000 short of an economic security income. Nearly 24 percent of fully retired New Jersey senior households who receive Social Security relied on Social Security as their sole source of income in 2018. More than one-third of these households relied on Social Security for 80 percent or more of their incomes. Racial disparities

in retirement income reflect in part the fact that, prior to retirement, men and women of color earn lower median wages than White workers. They also are more likely to work in jobs that do not offer retirement plans, and seniors of color tend to accumulate less retirement savings. In addition, seniors of color rely more heavily than White seniors on Social Security as a source of income, but have average annual Social Security payments several thousand dollars lower than White seniors' payments. Seniors of color may also face higher expenses, as they are more likely to be renters. In New Jersey in 2018, 17 percent of retired white seniors, 45 percent of retired Black seniors, and 58 percent of retired Hispanic seniors rented.

Twenty-eight thousand low-income New Jersey senior renters receive federal housing assistance. They either have a housing voucher to help pay their rent or live in Public Housing or privately owned publicly subsidized housing. Conditions in these buildings are critical for the health and well-being of these seniors.

Yet most seniors receive no help because of a lack of assistance for eligible renters. In fact housing and health care costs comprise two-thirds of the statewide Elder Index budget for retired single renters. This is also a health care issue as low income seniors live in buildings that lack adequate services as the only place they can afford.

Even for seniors who own their home ongoing expenses are a challenge to afford especially if they are still paying a mortgage because they needed to refinance in order to stay in their home. Any major expense for replacing a roof or boiler in an old home can be catastrophic. Increasing housing taxes means even seniors who own a home they no longer have a mortgage on may still have limited disposal income.

Even when housing expenses are under control, family circumstances, especially for low income seniors of color, can add many strains to a senior who needs to take care of grandchildren or has a grown child facing a crisis.

Our members are addressing this issue in various ways but more resources are needed. Morris Habitat for Humanity has a Home Repair Program with an ***Aging in Place*** component that offers a special "Home Support for Seniors." This program makes accessibility and energy efficiency improvements for Morris County households with a member aged 62 and over. Volunteer teams work under the direction of Habitat staff and volunteer supervisors to make changes that will enable seniors to move around safely inside their homes and complete the routines of daily living. By doing this, the program helps senior residents continue to live in their own homes longer and maintain their independence.

Our members like Region 9 housing Corp and Jewish Community Housing Corporation have been provided affordable rental housing for seniors for decades yet there is a lack of funding for them to be able build more.

Our members are also active in housing counseling to help seniors stay in their homes. This is critical to help seniors avoid the many scams out there looking to take away their home. Unfortunately not all seniors are finding their way to these free services.

What can be done to address this issue? More resources for the above – creating more affordable homes, helping to repair homes of low income seniors and housing counseling to help them stay in their home. In New Jersey the Affordable Housing Trust Fund helps build more affordable homes. This fund must continue to be used exclusively for this purpose and must grow.

Housing vouchers are also a critical issue. Only one in four families receive any housing assistance. The N J State Rental Assistance (SRAP) has a 30 percent set aside for seniors 65 years and over, yet has not had an increase in funding for years. NJ needs to increase funding to SRAP.

State legislation to limit rent increase for seniors is also desperately needed. Last session, Asm. Wimberly and Asm. Reynolds-Jackson sponsored a bill, A1914, to do that. Rent prices have increased an average **8.86%** per year since 1980, consistently outpacing wage inflation by a significant margin. Especially for seniors living on a fixed income this increase in rent forces them to make the hard choice between food, medicine or paying rent.

Another bill I'd like to highlight is A1987 sponsored by Asm. Mukherji that would allow seniors to age in place by allowing accessory dwelling units or ADUs. It is sometimes called a granny flat but is a small houses or apartments that exist on the same property lot as a single-family residence. Some municipalities in NJ like Princeton and Maplewood have already passed local legislation but we need to allow this statewide. This law has long been promoted by AARP and their report [All About Accessory Dwelling Units \(aarp.org\)](http://aarp.org) shows how seniors can stay in their homes after their children have left and a way for seniors to rent smaller spaces in another person's home in the same town they have lived in.

I will send you a list of all our legislative priorities.

Federal funds are critical to address this issue. New Jersey can use its flexible American Rescue Act dollars to address housing issues for seniors. We should all be advocating with our Congressional delegation to make sure that any budget reconciliation bill include significant resources to address the needs for affordable homes like the what was in the Build Back Better Bill that passed the House, including an expansion of rental assistance by \$25 billion to serve 300,000 additional households; \$65 billion to repair public housing, which is home to 2.5 million residents; and \$15 billion in the national Housing Trust Fund to build and preserve 150,000 homes affordable to people with the greatest needs.

The Low Income Housing Tax Credit (LIHTC) is administered by the NJHMFA has a set aside for Senior Housing. New Jersey receives an allocation from the U.S. Treasury. Build Back Better (BBB) legislation also contained several expansions and improvements to the low-income

housing tax credit including **a way for properties to raise the maximum allocation by providing extremely low-income apartments** which are especially needed by seniors on a fixed income.

Thank you allowing me the time to speak about the housing needs of seniors especially renters and people of color who are more likely to be living primarily on Social Security. We look forward to working with the Committee on solutions to this issue. We also would like to invite the Committee members to take a tour of our members' facilities and see firsthand where seniors are living in quality affordable homes and receiving the services they need to thrive.

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