

## U.S. Senate, Special Committee on Aging

### Written Testimony for Hearing on “*Laying the Foundation: Accessible and Affordable Housing for Older Adults and People with Disabilities*”

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Chair Casey, Ranking Member Braun, and Members of the Committee, thank you for the opportunity to testify on the critically important issue of Accessible and Affordable Housing for Older Adults and People with Disabilities. It is an honor to be here before you today. I am grateful for your leadership and attention to this issue.

My name is Jenny Schuetz. I am a Senior Fellow at Brookings Metro. The views expressed in my testimony are my personal views and do not reflect the views of Brookings, other scholars, officers, or trustees.

My testimony will address several aspects of housing accessibility and affordability, including:

- National and regional trends in housing supply;
- New construction and retrofits of existing homes; and
- Roles for private capital and public investment.

#### **Housing affordability challenges for older adults and people with disabilities reflect a persistent housing shortage across the U.S.**

The past decade has seen increasingly tight housing markets due to strong demand and limited supply. Since the Great Recession, the U.S. has not built enough housing to keep pace with demand created by job and population growth, leading to historically low vacancy rates and rapidly rising costs.<sup>1</sup> Researchers estimate that the U.S. needs roughly 3.8 million additional homes nationally to address this gap.<sup>2</sup> Regions with strong labor markets, such as coastal California, Greater Boston, New York City, and South Florida, have built too little housing for more than 30 years.<sup>3</sup> The increasing prevalence of hybrid and remote work during the COVID-19 pandemic has exacerbated housing shortages in previously affordable regions, including

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<sup>1</sup> Jared Bernstein, Jeffrey Zhang, Ryan Cummings, and Matthew Maury. 2021. Alleviating supply constraints in the housing market. White House Council of Economic Advisors. <https://www.whitehouse.gov/cea/written-materials/2021/09/01/alleviating-supply-constraints-in-the-housing-market/>

<sup>2</sup> Sam Khater, Len Kiefer, and Venkataramana Yanamandra. 2021. Housing Supply: A growing deficit. Freddie Mac Research note. <https://www.freddiemac.com/research/insight/20210507-housing-supply>

<sup>3</sup> Chang-Tai Hsieh and Enrico Moretti. 2019. "Housing Constraints and Spatial Misallocation." *American Economic Journal: Macroeconomics* 11(2): 1-39; Joseph Gyourko and Raven Molloy. 2014. Regulation and Housing Supply. National Bureau of Economic Research working paper; Edward Glaeser and Joseph Gyourko. 2018. The Economic Implications of Housing Supply. *Journal of Economic Perspectives* 32(1): 3-30. Jenny Schuetz. 2022. Fixer Upper: How to repair America's broken housing systems. Brookings Institution Press. U.S. Department of Housing and Urban Development, 2021, Eliminating Regulatory Barriers to Affordable Housing: Federal, State, Local, and Tribal Opportunities.

Austin, Texas, Salt Lake City, and Charleston, S.C., as well as some rural areas in demand for seasonal and vacation homes.<sup>4</sup>

The overall housing shortage and lack of diverse housing options are not simply natural outcomes of market forces. Local governments across the U.S. have adopted policies that make it difficult to build more homes where people want to live.<sup>5</sup> Zoning rules such as apartment bans and large minimum lot sizes decrease the amount of new construction, especially of small, moderately priced homes. States and localities often impose complex discretionary development processes, such as requiring multiple public hearings or lengthy environmental reviews, that make new housing more expensive.<sup>6</sup>

Zoning rules that prohibit all structures except single-family detached homes create direct barriers to building accessible homes. Single-family homes are less likely to have accessible features, such as a no-step entry into the home or a bedroom and bath on the main living floor.<sup>7</sup> Accessory dwelling units (ADUs) are becoming increasingly popular among older homeowners as means to allow family members or caretakers to live nearby.<sup>8</sup> Historically, duplexes and triplexes have enabled multiple generations and extended families to live together—an important source of informal caregiving. Many older adults and people with disabilities need or prefer fully accessible apartments in elevator buildings. Yet all of these diverse structure types are illegal to build on the majority of residential land in communities across the U.S.<sup>9</sup> About 12% of Americans—32 million people—are living with a disability, but less than 5% of homes are accessible for people with moderate mobility difficulties.<sup>10</sup> The lack of small, accessible homes in many neighborhoods limits the ability of older adults—80% of whom live alone or with a partner—to right-size their home while staying in the same community.<sup>11</sup>

### Policy recommendations

Regulations that determine the amount and type of new housing production are primarily the responsibility of state and local governments. However, the federal government has some policy levers that could help expand the supply and diversity of housing. Congress should create financial incentives for local governments to revise their zoning in favor of allowing a wider range of structure types, and better integrate federal investments in housing, land use, and transportation. These types of policies already have bipartisan support in Congress and are included in the bipartisan infrastructure law.<sup>12</sup> Local governments and regional planning agencies

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<sup>4</sup> John Mondragon and Johannes Wieland. 2022. Housing Demand and Remote Work. NBER working paper 30041.

<sup>5</sup> Hsieh and Moretti 2019; Gyourko and Molloy 2014.

<sup>6</sup> Amy Dain. 2019. The state of zoning for multifamily housing in Greater Boston, Housing Toolbox. Barbour, Elisa and Michael Teitz. 2005. CEQA Reform: Issues and Options. Public Policy Institute of California.

<sup>7</sup> Harvard University Joint Center for Housing Studies. 2019. Housing America's Older Adults.

<sup>8</sup> <https://www.aarp.org/home-family/your-home/info-2020/accessory-dwelling-unit.html>

<sup>9</sup> Emily Badger and Quoctrung Bui. 2019. Cities start to question an American ideal: A house with a yard on every lot. New York Times.

<sup>10</sup> Popkin et al. 2022. People with disabilities in the U.S. face urgent barriers to housing. Urban Institute brief. U.S. Department of Housing and Urban Development. 2015. Accessibility of America's Housing Stock: Analysis of the 2011 American Housing Survey.

<sup>11</sup> JCHS Housing America's Older Adults 2019.

<sup>12</sup> U.S. Congress, Senate, "Yes In My Backyard Act," S.B. 1919, 116th Cong., 1st sess., introduced in Senate on June 20, 2019. U.S. Congress, Senate, "Housing Supply and Affordability Act," S.B. 5061, 116th Cong., 2nd sess., introduced in Senate on December 17, 2020.

would also benefit from federally funded technical assistance and clearer guidance on what types of zoning reforms work best in different local housing markets—tasks that fall well within the scope and mission of the U.S. Department of Housing and Urban Development.

Accessible housing and the housing needs of people with disabilities is a serious omission in publicly available data and academic research. Federal agencies including HUD, HHS, and the Census Bureau should explore ways to address knowledge gaps and support high-quality policy-relevant research on these topics.

### **Rising housing costs create more financial stress for low-income households and people living on fixed incomes**

The supply shortage, combined with strong demand, has put upward pressure on housing costs. Housing cost burdens among low- and moderate-income households have been rising for several decades.<sup>13</sup> The poorest 20% of households spend more than half their income on housing costs, leaving too little money to cover food, transportation, health care, and other necessities. Yet only one in four eligible renters receives any federal housing subsidy.<sup>14</sup> Among low-income people with disabilities, the share of those receiving housing assistance is even lower: about 16% of low-income disabled Americans receive housing subsidies.<sup>15</sup> Rapidly rising housing costs are particularly challenging for people living on fixed income sources, including older adults and people with disabilities, who rely on social security, pensions, and supplemental security income (SSI).

Homeownership has been the primary mechanism for wealth-building in the U.S., and historically, older adults have relied on housing equity for financial security in retirement. Older homeowners who have paid off their mortgage have lower monthly housing costs than owners with an outstanding mortgage. Owning—with or without a mortgage—provides greater stability and predictability of housing costs over time than renting, because landlords can raise the rent at the end of the lease period (typically one year).

Two recent trends among older adults are creating greater housing insecurity than in previous generations. First, an increasing share of older adults are renters, in part due to the lingering effects of the 2007 foreclosure crisis. Second, older homeowners have higher debt levels—they are more likely to have a mortgage and larger mortgage balances.<sup>16</sup> Even among older homeowners who have paid off their mortgage, other housing expenses—property taxes, insurance, and maintenance costs—account for a large portion of their monthly budget. Older homeowners tend to reduce spending on home maintenance over time, which can create unsafe or unhealthy living conditions.<sup>17</sup>

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<sup>13</sup> Jeff Larrimore and Jenny Schuetz. 2017. Assessing the severity of rent burden on low income families. Board of Governors of the Federal Reserve System FEDS Note.

<sup>14</sup> Center on Budget and Policy Priorities. 2021. Policy Basics: Federal Rental Assistance. <https://www.cbpp.org/research/housing/federal-rental-assistance>

<sup>15</sup> Popkin et al 2022.

<sup>16</sup> JCHS Housing America's Older Adults 2019.

<sup>17</sup> Jaclene Begley and Laurent Lambie-Hanson. 2015. The home maintenance and improvement behaviors of older adults in Boston. *Housing Policy Debate* 25(4): 754-781.

In addition to housing costs, older adults and people with disabilities also incur expenses for supportive services. Many people need help with activities of daily living, such as eating, bathing, and dressing, or instrumental activities of daily living, such as managing medications or grocery shopping.<sup>18</sup> Housing subsidies such as vouchers are not designed to cover the additional cost of services, just as health care subsidies are not intended to pay for rent.<sup>19</sup> In-home care—whether provided by family members, community groups, or paid care workers—often falls in the gray area outside of traditional policy silos.

### Policy recommendations

Congress has several channels to relieve financial stress created by high housing costs. The most direct, straightforward way to help low-income older adults and people with disabilities afford safe, decent-quality housing is to give them money. Increasing funding for housing vouchers or making the Earned Income Tax Credit payable monthly instead of annually would be effective tools to support financial stability for low- and moderate-income households.<sup>20</sup> Providing flexible support is particularly helpful for people whose largest expenses may fluctuate month to month, shifting between housing, health care, and supportive services.

### **Improve the accessibility, safety, and quality of existing homes and communities**

Lowering regulatory barriers to new construction is essential to meet the growing demand for housing and stabilize housing costs, but must be paired with investments in the quality and accessibility of existing homes and communities.

The U.S. housing stock is aging along with the population—more than half of all homes were built before 1980, a decade before the Americans with Disabilities Act was passed.<sup>21</sup> Older homes are generally more affordable to rent or buy, but they are also more likely to have maintenance problems that can create unsafe or unhealthy living conditions. Older, poor-quality housing is especially prevalent throughout the Northeast and Midwest; 80% of low-income households in the Cleveland and Philadelphia metro areas live in homes more than 50 years old.<sup>22</sup> Much of the unsubsidized, affordable rental housing stock consists of low-rise, garden-style apartment buildings that lack elevators and other structural accessibility features, such as doorways wide enough to accommodate wheelchairs.

Retrofitting millions of older homes—both to improve accessibility and keep them in habitable condition—is an enormous task that will require both private and public capital. One important policy consideration is how to balance the benefits of building codes and related regulations that require accessible features with the costs to property owners of conducting retrofits. For instance, adding within-unit features such as shower seats and grab bars to ground-floor units in an older

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<sup>18</sup> JCHS Housing Older Adults 2019.

<sup>19</sup> Susan Popkin et al. 2022. People with disabilities living in the U.S. face urgent barriers to housing. Urban Institute brief. Jenny Schuetz. 2003. Affordable Assisted Living: Surveying the Possibilities. Harvard University Joint Center for Housing Studies.

<sup>20</sup> Schuetz. 2022. Fixer Upper, Chapter 4.

<sup>21</sup> Harvard University Joint Center for Housing Studies. 2023. State of the Nation's Housing.

<sup>22</sup> Schuetz, Fixer Upper, Chapter 4.

walk-up apartment building could create more accessible homes—and substantially reduce the likelihood of serious injury—while being less expensive than retrofitting the entire building.<sup>23</sup>

Homes are only one piece of the built environment that impacts accessibility. Many older adults and people with disabilities cannot drive, and therefore face challenges in safely navigating their communities. Relatively inexpensive and fast infrastructure investments could improve neighborhood safety and accessibility: improving sidewalk quality, extending the time allotted for pedestrians crossing streets, and adding benches at bus stops.<sup>24</sup> Upscale retirement communities such as the Villages are built around paths for walking, cycling, and riding golf carts—modes of transportation that support aging in place. However, these communities are not affordable to most Americans; the urban and suburban neighborhoods where most older adults and people with disabilities live offer fewer safe mobility options.

Removing regulatory barriers to neighborhood-serving retail would also reduce the distances that people need to travel for daily activities. It is illegal to build or operate a grocery store, pharmacy, or coffee shop in most residential neighborhoods across the U.S. because of local zoning codes that separate housing and commercial activities.<sup>25</sup> This forced separation of uses causes people to travel longer distances to reach jobs, medical care, shopping, and other services.<sup>26</sup> Making it easier for older adults and people with disabilities to access shared community spaces—from shopping centers to libraries and parks—would help reduce social isolation.<sup>27</sup>

### Policy recommendations

Congress and the Biden administration have already approved historic investments in infrastructure and the built environment through the bipartisan infrastructure law and the Inflation Reduction Act.<sup>28</sup> Channeling some of this funding toward accessibility retrofits for homes and neighborhood-serving pedestrian infrastructure would substantially improve safety and well-being for older adults and people with disabilities. The cost of these investments is relatively modest compared to building out new energy transmission lines, and yet they are often overlooked by state and local agencies in favor of larger, more complex projects.

### **Conclusion**

Housing affordability has become increasingly urgent for many Americans over the past decade due to insufficient production and rising demand. For older adults and people with disabilities, finding safe, accessible, decent-quality homes that they can afford is particularly challenging—a

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<sup>23</sup> Michael Eriksen, Nadia Greenhalgh-Stanley, and Gary Engelhardt. 2015. Home safety, accessibility, and elderly health: Evidence from falls. *Journal of Urban Economics* 87: 14-24.

<sup>24</sup> American Association for Retired Persons. 2012. Creating an age-friendly NYC one neighborhood at a time. <https://www.aarp.org/livable-communities/act/planning-land-use/info-12-2012/creating-age-friendly-nyc.html>

<sup>25</sup> Jenny Schuetz. 2019. Is zoning a useful tool or a regulatory barrier? Brookings Institution brief.

<sup>26</sup> Adie Tomer and Caroline George. 2023. Building for proximity: The role of activity centers in reducing total miles travelled. Brookings Institution brief.

<sup>27</sup> Friederike Enssle and Nadja Kabisch. 2020. Urban green spaces for the social interaction, health, and well-being of older people. *Environmental Science and Policy* 109: 36-44.

<sup>28</sup> Adie Tomer. 2022. Will the infrastructure law and Inflation Reduction Act transform American transportation? It's complicated. Brookings Institution brief.

problem that will get worse as both the population and our housing stock grow older. Both public subsidies and private sector capital will be needed to build and retrofit millions of accessible homes. Once-in-a-generation federal infrastructure investments offer a unique opportunity to upgrade the safety and accessibility of neighborhoods across the U.S. Strategic targeting of federal spending, combined with technical assistance and guidance to local governments, is necessary to remove regulatory barriers that artificially reduce housing supply, raise costs, and hinder development of accessible homes and neighborhoods.

Thank you again for the opportunity to testify here today on this important issue. I look forward to answering your questions.