

State Senate Testimony

Section 8 Crisis

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Paul B. Feuerstein
President/CEO, Barrier Free Living

Chairman of the Board
Disability Network of New York City

My name is Paul Feuerstein. I am the President/CEO of Barrier Free Living and the Chairman of the Board of the Disability Network of New York City. Barrier Free Living operates the only homeless program in the State of New York designed to house homeless people with disabilities that have need of personal care. Without us, our 48 residents would be in nursing homes. FRIA (Friends and Relatives of the Institutionalized Aging) reports that the average Medicaid cost of nursing home stay is \$123,420 per year. Our shelter costs including Medicaid funded home care is \$39,583. Just by existing, we save \$4 million over the cost of nursing home care. Our partnership with DHS led to 50 people with disabilities finding permanent housing last year. 26 of those placements were funded by Section 8. When we factor in those 50 people that would otherwise be in nursing homes, the savings go up to \$8.2 million. Diverting people from nursing homes should be one of our top priorities.

A Health and Human Services study done during the Bush Administration reported that 20,000 New Yorkers state-wide and 8,000 New Yorkers in the city were residing in nursing homes because they had no other housing alternative. The cost for housing these 8000 New York City Residents alone is \$987,360,000 per year. We know anecdotally that that number of people in nursing homes has gone up since the study. When people talk about the high cost of Medicaid, fraud is often seen as the culprit. A bigger issue is the lack of affordable accessible housing in New York City. A majority of people with disabilities can live more integrated lives at significantly less expense if an affordable, accessible apartment was made available to them.

When I served on the board of Harlem Independent Living Center, we learned that most seniors who became disabled went to nursing homes rather than back home because their apartments were inaccessible and the cost of new housing was too high. AARP reports that the number of seniors 65-74 in New York will grow by 54% by the year 2030. Seniors 75-84 will grow by 47%. Those 85 and above will grow by 62%. 39% of those above 65% have a disability. Last September, the Today show reported that 1.5 million Americans live in nursing homes and that number would double by 2030. The cost of doubling our nursing home population in New York will be devastating. That's just speaking of older Americans. That doesn't factor in the 300,000 disabled vets

nationwide coming back from Iraq and Afghanistan. It doesn't factor in the 730,000 developmentally disabled children nationwide living with aging parents. It doesn't factor the unknown number of people who become disabled every year through accidents, medical conditions or becoming victims of crime. It doesn't factor in the increased life expectancy of people with disabilities. On top of that, HUD programs for affordable accessible housing are reaching their 30 year anniversaries when property owners are opting out of the business.

A New York City resident with a disability gets \$724 per month to live on. That is 16.1% of the median income of a New Yorker. It would take 163.0% of that person's monthly income for a one bedroom apartment or 150.7% of monthly income for an efficiency studio Technical Assistance Collaborative, Inc. Consortium for Citizens with Disabilities, Housing Task Force *Funded by the Melville Charitable Trust*).

The only way a New Yorker with a disability can afford to live outside of an institution is with Section 8. The proposed Advantage program would allow a one year subsidy that would cost a disabled resident 30% of their income. By the second year, that resident would be expected to pay half of their rent which could be anywhere from 75.4-81.5% of their monthly income. That is a recipe for default, further homelessness or opting for high priced nursing homes.

If we are to be prepared for the challenges of 2030, we need to work now on a comprehensive housing strategy. Affordable housing for individuals on fixed incomes is not presently part of the city's affordable housing plan. If it is not included as a high priority, it will be at our peril. DHS has rightly said that it cannot be the solution for every housing problem in New York City, but they can be part of the solution. NYCHA has said the same to us and our reply is the same. New York/New York Supportive Housing could be part of the solution, but there is only one category for physically disabled people—if they are the head of a family threatened with homelessness. Single disabled adults can only be served if they take on another label like mental illness, substance abuse or AIDS.

NYCHA presently has the opportunity to apply for its share of 5600 Section 8 vouchers for people with disabilities through a NOFA recently released by HUD. Given the enormity of the problem, this is a very small step in the right direction. We would hope that you would use your good offices to make sure that our housing authority does not let this opportunity pass them by and to work with the disabled community on a plan to prepare us for a fiscally solvent housing plan for individuals on fixed income.

Contact Information:

Paul B. Feuerstein, President/CEO
Barrier Free Living
270 East 2nd Street
New York, NY 10009

212-677-6668 ext. 123
646-831-3718 (cell)
paulf@bflnyc.org