

## 2024 in Review: State of Affordable Senior Housing at LeadingAge

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*LeadingAge affordable senior housing provider members share the latest on waitlists, resident mental health, workforce issues, and more.*

How did affordable senior housing communities fare in 2024? What are housing communities most concerned about early in 2025?

During LeadingAge's year-end affordable senior housing survey, our affordable housing membership report on housing availability, fiscal stability, resident services, workforce and insurance issues, and more. Check out our key takeaways and our in-depth look at the numbers.

### Key Take-Aways of our 2024 Year-End Survey

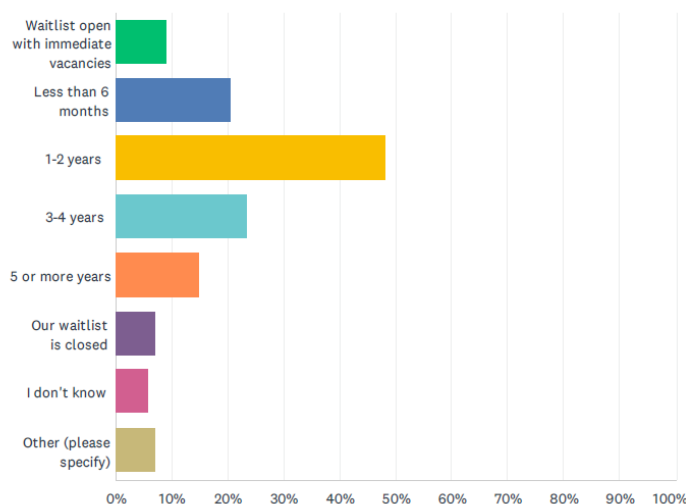
- **Housing Availability:** As Congress debates funding levels for the Department of Housing and Urban Development (HUD) for Fiscal Year 2025, LeadingAge members report that their affordable housing waitlists are long and not improving.
- **Resident Mental and Behavioral Health:** For the second year in a row, housing providers report resident mental health and lack of access to services or appropriate housing placements as their top concern for the first quarter of 2025.
- **Workforce Challenges:** Federally-assisted housing providers are locked into government-approved budgets, limiting options for hiring based on competitive salaries.
- **Service Coordination:** The vast majority of LeadingAge members have Service Coordination programs, and many are training Service Coordinators in mental health first aid classes funded by HUD.
- **Resident Services:** LeadingAge affordable housing members use a variety of strategies to overcome the loss of the Affordable Connectivity Program (ACP) and help residents access the internet in-unit; housing communities are also leveraging HUD Supportive Service funding to offer an impressive array of resident services.
- **Fiscal Stability:** Affordable housing budgets determined by HUD are not keeping up with inflation, and many LeadingAge housing provider members lack reserves to weather funding lapses.

- **Property Resilience:** LeadingAge affordable housing communities have experienced property damage or resident displacement due to disasters in the last year, and many are exploring options for climate resilience upgrades.
- **Property Insurance:** Affordable and available insurance is key for operating and maintaining housing communities, but LeadingAge members have reported several years of sharply increasing property insurance costs, accompanied by decreasing coverage and availability, often due to market trends or property misclassification.
- **HOTMA Compliance:** Despite the option to exempt in-place residents from harmful new asset limits under HOTMA, many LeadingAge members have yet to adopt an exemption policy.
- **Housing Safety:** At just over the one-year mark of NSPIRE, HUD’s new housing quality inspection protocol, LeadingAge members reported issues with the software system and scheduling logistics but generally report positive outcomes on the inspections themselves.

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### **Housing Availability: How long do people have to wait to move into an affordable home? Are wait times for affordable units getting longer or shorter?**

As Congress debates funding levels for the Department of Housing and Urban Development (HUD) for Fiscal Year 2025, LeadingAge members report that their affordable housing waitlists are long and not improving. Take action to [tell Congress that Budget Reconciliation must do right by older adults](#).



The majority (72%) of housing providers who responded state that prospective residents wait between one and four years to move into an affordable unit. This includes nearly half of all respondents who reported waitlists of one to two years.

However, nearly a quarter of respondents (22%) said their waitlists for moving in new residents are either more than 5 years long or the wait is so long that they are full and no longer accept new additions to the waitlist.

Few respondents reported vacancies, and one provider highlighted that although their market rate units have immediate openings or openings within 6 months, applicants for their affordable senior housing properties wait more than seven years to move in.

Most respondents (70%) stated that applicants now wait longer or about the same amount of time to move into an affordable home than they did four years ago.

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### **Safety, Compliance, Funding, and Mental Health: What are affordable senior housing provider most concerned about for the next three months?**

For the second year in a row, housing providers report resident mental health and lack of access to services or appropriate housing placements as their top concern for the first quarter of 2025.

Mirroring results from a year ago, LeadingAge members again reported that their top anticipated challenge for the first three months of 2025 will be resident mental and behavioral health (55%). This includes not finding appropriate placements for residents when the independent living property is no longer the right fit, as well as finding resources and services to support resident needs.

This top concern was closely followed by concerns about tenant files and HUD compliance, including implementation of new rules under the Housing Opportunity Through Modernization Act (HOTMA), as well as financial challenges like HUD funding delays.

Respondents chose from a wide range of options, including property and liability insurance, inspections and maintenance, property safety concerns, staffing shortages, and more to establish their top concerns for the first quarter of 2025.

In 2023, file compliance was a much lower-rated concern among members, while resident mental health, financial challenges, and workforce issues were ranked as the most concerning.

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## Workforce: What are the biggest barriers to hiring and retaining affordable housing staff?

Federally-assisted housing providers are locked into government-approved budgets, limiting options for hiring based on competitive salaries.

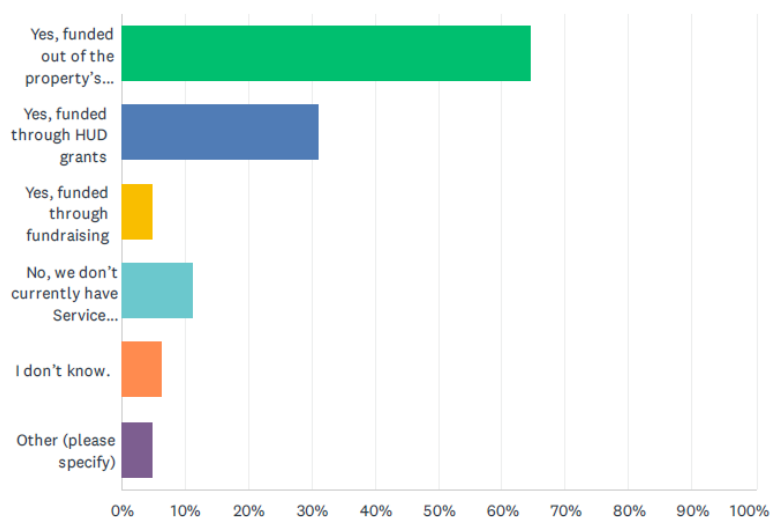
Two barriers emerged as the top concerns for housing organizations attracting and retaining staff. At 43%, the most common barrier cited by survey respondents was the lack of competitive salaries due to budget constraints imposed by the Department of Housing and Urban Development (HUD). The next most common barrier reported (41%) was a lack of qualified applicants. Respondents also stated that transportation to hard-to-reach housing communities presented a challenge for recruitment and retention, as well as the lack of affordable housing for employees. Respondents also highlighted the difficult nature of frontline work, post-pandemic workplace culture shifts, and the lack of advancement opportunities as key barriers for the affordable housing workforce.

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## Service Coordination: Do LeadingAge properties offer Resident Service Coordination to support independent aging, and how do they pay for it?

The vast majority of LeadingAge members have Service Coordination programs, and many are training Service Coordinators in mental health first aid classes funded by HUD.

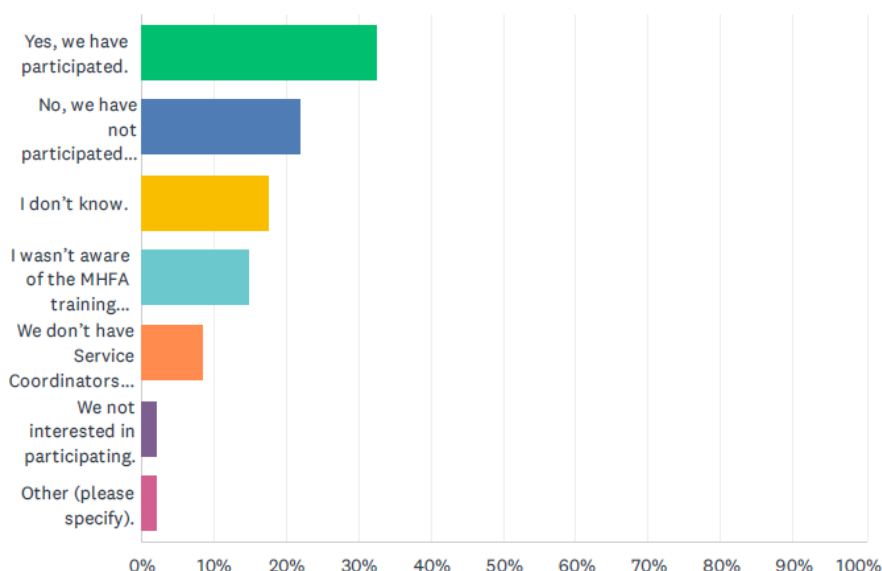
Nearly all (96%) of LeadingAge members who responded to the year-end survey report Service Coordination programs at their properties, with most of those programs (65%) funded out of the property's operating budget. Another 31% fund their Service Coordinator programs via grants, and the remainder through fundraising and other sources.



Some respondents said that while they don't have official Service Coordination programs, their property staff provide some social work and other services for residents.

Only just under a fifth of LeadingAge member respondents (19%) said that they applied for new Service Coordinator grant funding through HUD in 2024 – which LeadingAge anticipates will be awarded during the first half of 2025 – mostly to expand existing programs with more staff or staff capacity. Another 29% reported not being eligible for the funding opportunity or not being aware of it.

In addition, a third of respondents reported participating in HUD's free Service Coordinator training on Mental Health First Aid, while another 22% reported that they are planning to participate.



LeadingAge will continue to work with members to establish and expand Service Coordination programs, and we will continue our advocacy with Congress and HUD to make more funding opportunities available.

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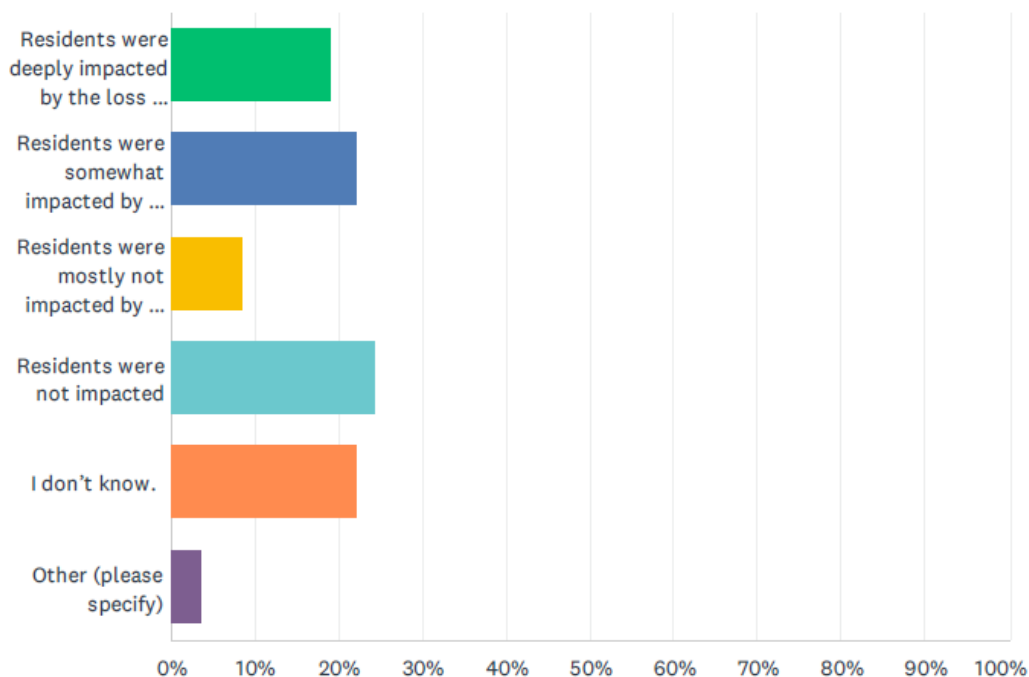
### **Digital Connectivity and Supportive Services: How are LeadingAge Members Supporting Residents with Internet Access and Other Services?**

LeadingAge affordable housing members use a variety of strategies to overcome the loss of the Affordable Connectivity Program (ACP) and help residents access the internet in-unit; housing communities are also leveraging HUD Supportive Service funding to offer an impressive array of resident services. Elevating resident services in affordable housing,

including internet connectivity, transportation, meal support, and resident health programming, is a key part of LeadingAge’s work.

### Internet Access

Just over 40% of LeadingAge members responded that residents were impacted by the loss of the Affordable Connectivity Program (ACP), a federal pandemic-era internet service discount that was defunded by Congress in 2024. Around 33% of respondents said residents were not impacted by losing the ACP, and some providers said they offer free Wi-Fi to residents regardless of the internet service discount program or were able to negotiate discount deals directly with internet service providers. LeadingAge will continue to advocate for improved whole property internet access for across the affordable senior housing portfolio. To join LeadingAge’s work on internet access and other topics, view our members-only workgroups [here](#).

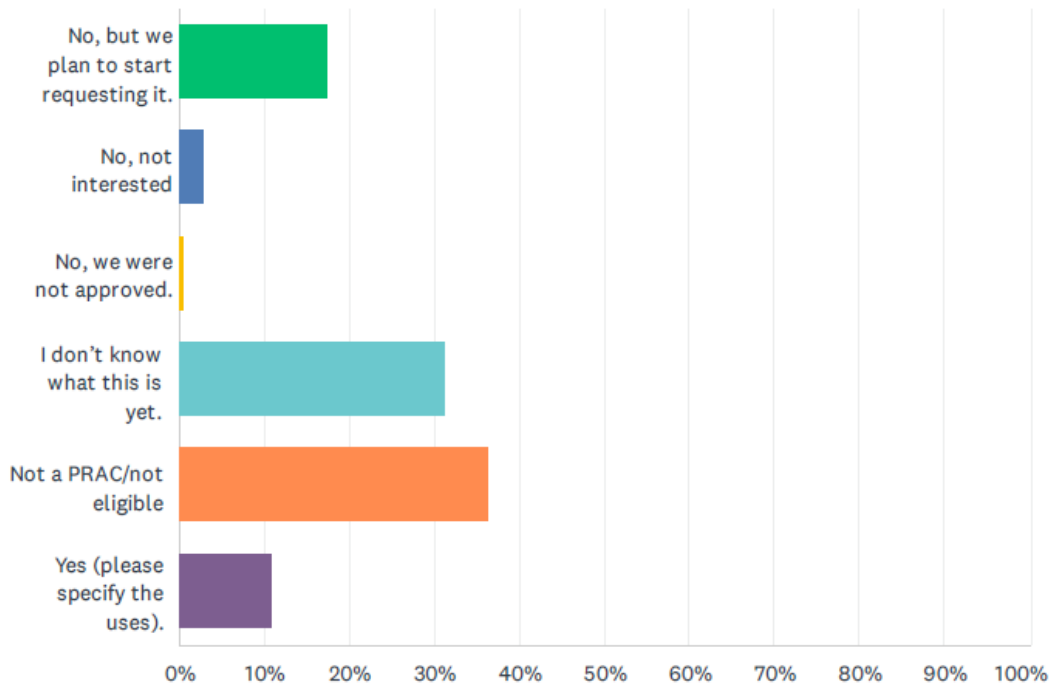


### Supportive Services

Certain HUD properties (Section 202 PRACs) are authorized to incorporate a supportive services fee into their HUD-approved operating budgets. The extra funds amount to between \$15-\$25 per unit per month and cover the cost of resident services.

Around 11% of respondents said they had been approved for the fee, while another 18% said they plan to start requesting it. Those who had been approved listed the services that

were funded, including transportation shuttles and vouchers, educational programming, exercise classes and equipment, music and art therapy, housekeeping services, arts and crafts, massage chairs, gardening supplies, mental health programming, yoga classes, and more.



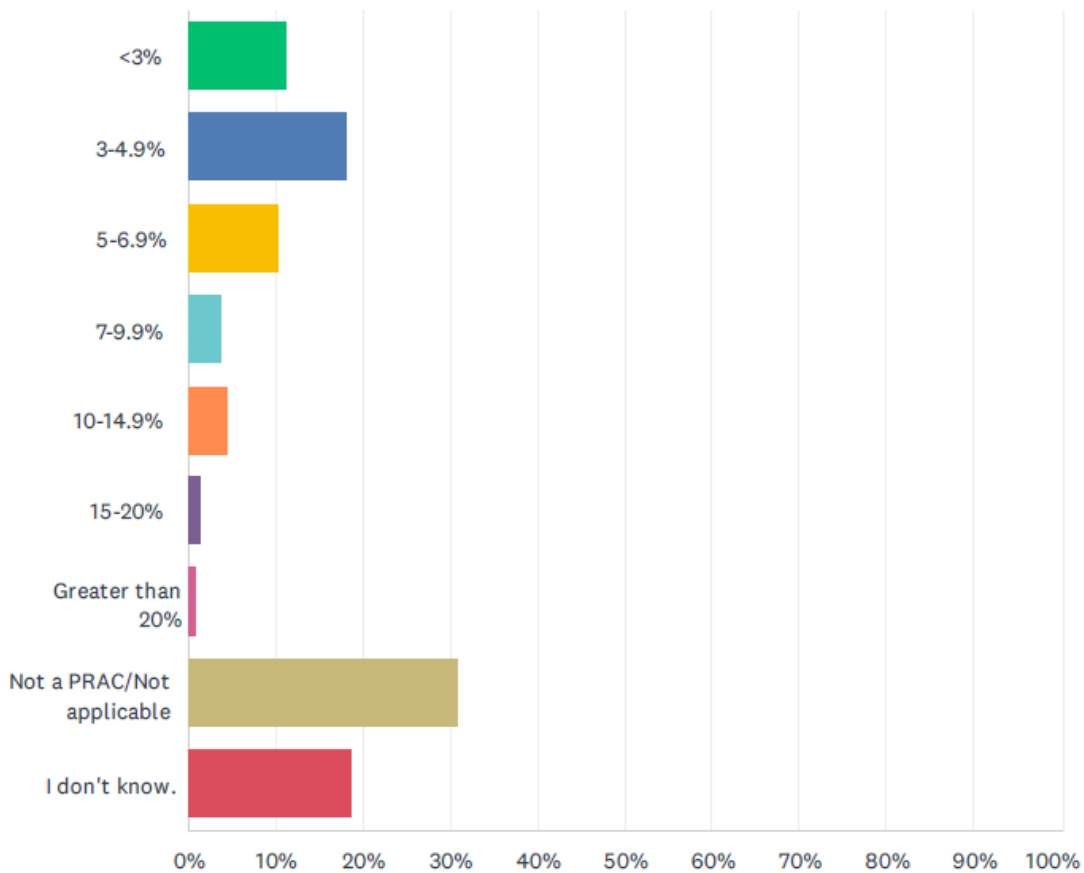
For more information on adding the funds to property budgets, view [HUD's 2023 guidance](#), which LeadingAge advocated for and helped to develop.

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### **Financials: How high are annual budget increases for affordable senior housing properties? How much do they have reserves for capital upgrades and emergencies?**

Affordable housing budgets determined by HUD are not keeping up with inflation, and many LeadingAge housing provider members lack reserves to weather funding lapses.

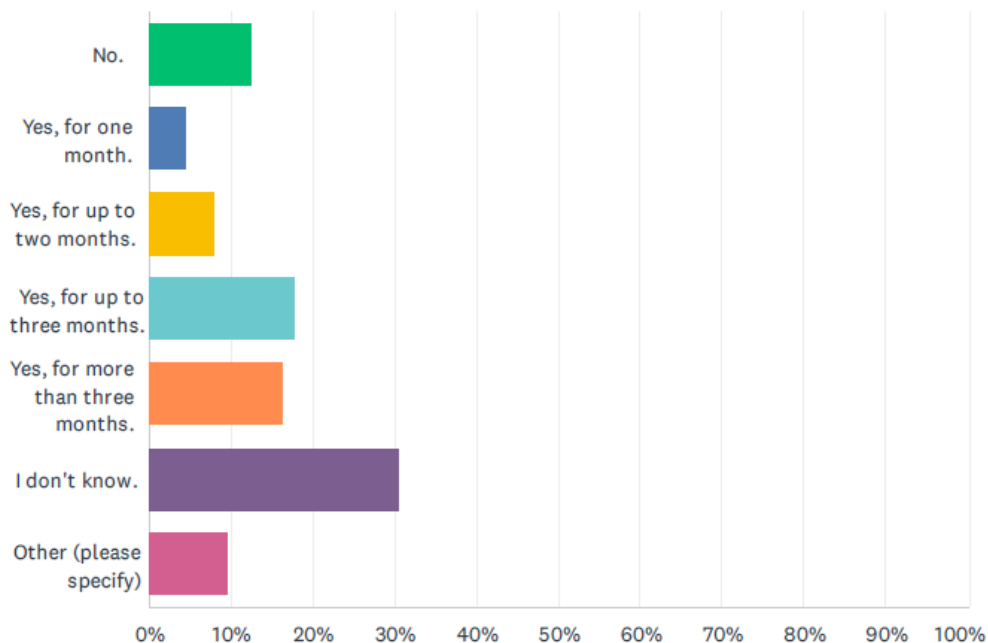
While certain HUD-assisted properties, like properties participating in HUD's Project Based Section 8 and Section 202/8 programs, receive automatic annual budget increases based on a market-driven calculation method, Section 202 PRAC properties submit budget-based rent increase (BBRI) requests annually to HUD for approval.



The two most commonly-reported BBRI amounts were increases between 3-4.9% and less than 3%, both of which are lower than inflation rates for the previous year and underscore the financial constraints generally reported by many affordable housing providers.

When asked if properties had a Reserve for Replacement (R4R) account, which is used for planned capital repairs but can be used to temporarily cover HUD funding shortfalls during a funding lapse, less than half of respondents (47%) said they could access their R4R account to cover expenses for at least one month, with 16% reporting they could utilize reserves to cover more than three months of funding shortfalls. Approximately 13% stated they do not have access to a Reserve for Replacement account for emergency scenarios.





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### **Property Resilience: How have affordable senior housing properties been impacted by natural disasters and emergencies? How does climate resilience factor in**

LeadingAge affordable housing communities have experienced property damage or resident displacement due to disasters in the last year, and many are exploring options for climate resilience upgrades.

While most LeadingAge member respondents (80%) report no impact from natural disasters or emergencies, 20% of respondents reported having experienced some impacts, including property damage and temporary resident displacement. Those that were impacted detailed apartment fires, drought and water damage, and hurricane impacts.

A third of LeadingAge members who responded to the survey said that they have leveraged climate resilience opportunities in the past year, including HUD's Green and Resilient Retrofit Program (GRRP) or HUD's free energy benchmarking program. Others report being interested in greening and climate resilience measures, but state that they lack education and awareness about these types of retrofits or that they lack buy-in from leadership.

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### **Property Insurance Rates and Changes: How have insurance costs for affordable senior housing communities changed and why?**

Affordable and available insurance is key for operating and maintaining housing communities, but LeadingAge members have reported several years of sharply increasing property insurance costs, accompanied by decreasing coverage and availability, often due to market trends or property misclassification.

Half of survey respondents said that their current rates are at least 10% higher than last year's rates, with more than a fifth of respondents saying their rates went up at least 20% year over year, including rate increases of 45% or more. Only 1% of respondents said their rates were staying the same or reducing.

Of the respondents whose rates have increased, only 12% report the increase was due to a history of claims at the property, while the most frequent reason (40%) given by insurance carriers for rate increases was market trends. A notable 14% of respondents said that the rate increases were due to resident services components at their affordable properties, including the presence of emergency call systems that HUD requires in affordable senior housing, and 5% of respondents said the increases were justified by crime issues and by referencing the type of neighborhood.

LeadingAge members have increasingly dealt with coverage losses due to misclassification as a "healthcare" facility instead of independent living, often due to resident services and resident demographics, leading some members to be forced to discontinue services critical for aging independently. The survey also asked about the role of climate resilience on property insurance rates. Of the respondents whose rates had gone up from the previous year, 16% said the reason given by their carrier was increased risk due to weather events.

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### **HUD Compliance: How are LeadingAge members navigating new HOTMA rules on asset limits?**

Despite the option to exempt in-place residents from harmful new asset limits under HOTMA, many LeadingAge members have yet to adopt an exemption policy.

In 2025, HUD will require compliance with major rule changes under the Housing Opportunity Through Modernization Act (HOTMA); the changes include implementing eligibility limits based on household assets for the first time in HUD-assisted rental housing, but HUD rules allow housing providers to exempt in-place residents so that they can remain stably housed. However, fewer than half (47%) of survey respondents said that they had adopted the asset limit non-enforcement option.

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## **Housing Safety: How are LeadingAge housing provider members implementing HUD's new NSPIRE protocol for housing safety inspections?**

In October 2023, HUD implemented a new safety inspection protocol for multifamily housing, called NSPIRE. At just over the one-year mark of NSPIRE, LeadingAge members report issues with the software system and scheduling logistics but generally report positive outcomes on the inspections themselves.

When asked what their top concern was for the new inspection protocol, the most common answer (39%) was related to understanding and training staff on the changes to building requirements, which were finalized late in the process by HUD. This concern was closely followed by more than a third of respondents (37%) who are most concerned with helping residents understand the new protocol, which emphasizes in-unit conditions more than the previous inspections.

Another top concern was paying for upgrades to comply with the new standards. However, nearly a quarter of respondents (22%) said they are not concerned about the changes under NSPIRE.