

# OLDER AMERICANS IN THE NATION'S NEIGHBORHOODS

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HEARING  
BEFORE THE  
SPECIAL COMMITTEE ON AGING  
UNITED STATES SENATE  
NINETY-FIFTH CONGRESS  
SECOND SESSION

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PART 2—OAKLAND, CALIF.

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DECEMBER 4, 1978



Printed for the use of the Special Committee on Aging

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1979

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## OLDER AMERICANS IN THE NATION'S NEIGHBORHOODS

MONDAY, DECEMBER 4, 1978

U.S. SENATE,  
SPECIAL COMMITTEE ON AGING,  
*Oakland, Calif.*

The committee met, pursuant to notice, at 10 a.m. in the council chambers of the Oakland City Hall, Senator Dennis DeConcini presiding.

Present: Senator DeConcini.

Also present: William E. Oriol, staff director; Philip S. Corwin, professional staff member; Jeffrey R. Lewis, minority professional staff member; Shirley Wilson and Robert Maynes, personal staff of Senator DeConcini; and Theresa M. Forster, fiscal assistant.

### OPENING STATEMENT BY SENATOR DENNIS DeCONCINI, PRESIDING

Senator DeConcini. The Special Committee on Aging of the U.S. Senate will come to order.

Good morning. Today, the Senate Committee on Aging holds its first field hearing on the subject of neighborhoods and the elderly. It is most appropriate that our initial inquiry takes place in California and the bay area, for several important reasons.

The committee's interest in this topic came about directly through the 1977 investigation ordered by Chairman Frank Church of the eviction of the residents of San Francisco Chinatown's International Hotel. That examination alerted us to the severe housing problems affecting the elderly residents of Chinatown, problems that are being aggravated by domestic and foreign speculation, and which have received a woefully inadequate response from Federal housing officials. It alerted us to the sometimes destructive results of Federal urban renewal policies, and their local implementation, on many neighborhoods in years past. And it let us know of the desperate situation which many bay area seniors face in finding decent and affordable housing, be it public or private.

These problems extend beyond the bay area. The low vacancy rates and speculation are more the rule than exception in many urban and suburban areas of this State. There is no doubt that many of California's elderly pulled the "yes" lever for proposition 13 as a means of controlling one aspect of the inflationary pressures which threaten their major capital assets and the basis of their well-being; that is, their home.

Finally, we have come to California to hear firsthand about this State's urban policy, and other innovative responses to these pressures which are taking shape in neighborhoods throughout the State.

While the shelter and service dilemmas confronting California seniors have their own unique shape and cast, they are but one part of a massive shift in urban dynamics which are occurring throughout the Nation. This past Friday, at our opening hearing in Washington, the committee learned that new economic and demographic pressures are resulting in the displacement of low-income individuals from neighborhoods in both the blighted cities of the Northeast and the rapidly expanding urban centers of the Sun Belt—and that it is the elderly who are the most often displaced, who are in the leading ranks of the new urban nomads. We heard that Federal programs and policies have often contributed to the decline of sound neighborhoods, and that the massive infusion of Federal dollars to urban areas, which currently exceeds \$80 billion annually, is not always being utilized in an efficient manner consistent with changing urban dynamics. And we found that older Americans have the greatest need of any group, without a doubt, within our society for the informal support systems, the good housing, the ease of access to stores and health and social services, and the secure and familiar neighborliness which sound city communities provide.

The committee also learned that there are constructive, cost-effective, and nonbureaucratic programs, operating with the advice and assistance of government at all levels, enlisting the support of neighborhood and voluntary organizations and private sector, which are capitalizing on the new urban dynamics and the unprecedented opportunity they offer to revitalize cities while maintaining economic, racial, and age group diversity.

The possibilities confronting policymakers are thus contradictory. If we fail to understand what is happening in our cities and to seize upon those changing circumstances, we face a future marked by stratification by age and income, and wholesale displacement of the elderly. There will be growing demand for massive new Federal housing, and social programs for which the funds may never be adequate, and which can never replicate the quality of shelter and support which the elderly can find in diverse, healthy neighborhoods.

Or, in the alternative, we can examine old programs for inefficiency and relevance to today's problems. We can reallocate resources to innovative efforts which help elderly homeowners to rehabilitate and keep their properties. We can help renters to find decent and affordable apartments, and even to become homeowners. We can better utilize the resources of the "aging network," which has been established under the Older Americans Act, to encourage and coordinate new shelter and service strategies at the local level and become a vital part of the neighborhood support system for older Americans.

Thus, it is with great anticipation that we begin today's hearing. For we will hear of the housing, service, and crime problems confronting seniors from all walks of life throughout the bay area region and California. But we will also learn that efforts fostered by all levels of government, by branches of the aging network, and by community groups are pragmatically and successfully responding to these difficulties, and are building stronger neighborhoods in the process. I can

promise you that we will use the information gathered today and in subsequent hearings to devise policies which effectively and efficiently assist older Americans in responding to the new pressures facing them now and in the years ahead.

Before calling our first witness, I do want to note that State and congressional Representatives from the bay area were invited to participate in today's hearing. Congressman Philip Burton was extremely helpful to us, as was Senator Cranston. Unfortunately, our hearing coincides with the start of the winter session in Sacramento and with caucus activities in Washington.

I also know that I speak for the entire membership of the committee in expressing our shock and regret at the tragic circumstances which so recently claimed the life of Representative Leo J. Ryan. His devotion to his constituency and his quest for the truth inspire us all, even in his absence. We will endeavor to conduct today's inquiry in the same spirit of sensitivity and response to the needs of all citizens which marked his career.

The committee also extends its heartfelt condolences to the family of Mayor George Moscone, and to the people of the city of San Francisco. Mayor Moscone championed the cause of the elderly and of all those who make up in need what they lack in power. His office lent invaluable assistance to us when we undertook to understand the evictions at the International Hotel, and as we engaged in preparation of today's hearing. I know that it was his goal as mayor to shape a city which could offer decent lives in thriving, vital neighborhoods to all its citizens. Mayor Moscone's work has been cut short, terribly and without purpose, but his spirit is with us today as we seek the means to better the lives of the poor and the elderly who seek only the basic dignity that is due to every human being.

I want to introduce on my left Phil Corwin of the Committee on Aging staff; Jeff Lewis sitting on my extreme right, and from the committee minority staff; and Shirley Wilson of personal staff.

We will proceed today with testimony from various witnesses. We would ask that the witnesses attempt to keep their oral testimony to no longer than 10 minutes. I realize that is a short period of time, but I can assure you that the entire printed statement not only will appear in the record, but will be delivered to each committee member and made a part of the permanent files and report from these hearings.

The first witness today will be Donald Turner, director, California Department of Housing and Community Development.

Mr. Turner.

**STATEMENT OF I. DONALD TURNER, SACRAMENTO, CALIF., DIRECTOR, DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, STATE OF CALIFORNIA; ACCOMPANIED BY PAUL DEMPSTER AND IAN ROBERTSON, SAILORS UNION OF THE PACIFIC, AND MARY ELLEN SHAY, CALIFORNIA DEPARTMENT OF HOUSING**

Mr. TURNER. Senator DeConcini, ladies and gentlemen, I wish I could say that it was a pleasure to be here today. I think all of us, in fact, regret that there is any need for these hearings or for any testimony. I think the plight of the Nation's elderly and those elderly

citizens living in California is certainly one that causes us all extreme anxiety and regret and we are here today to work with you to, in fact, do our very best to eliminate this tragedy.

The State of California, Governor Brown, and those members of his administration, have been working hard through our department, the department of housing and community development, through the California housing finance agency, through HUD, through the State department on aging, to put together a coordinated program to give elderly residents of this State a fair and fighting chance to obtain decent housing.

We have over 1 $\frac{1}{4}$  million elderly households in California and by and large their incomes are lower than those of other Californians. Unfortunately they are fixed. They don't float with the economy. They don't float with inflation. For that reason, as housing prices escalate and their incomes fail to keep pace, a widening gap opens between their ability to pay and the cost of decent affordable shelter.

Our housing costs in California are extremely high, among the highest in the Nation. The cost right now for a medium-price used house is over \$70,000 and for new construction we are beginning to go over the \$80,000 level. In fact, we are now into the low \$80,000. Forty percent of all the homes in California are now priced at \$80,000 and over. This compares to 10 percent in the rest of the Nation. You can get some sense of the extreme escalation of our housing costs.

Elderly people in California are averaging about \$7,000 a year. This is compared to some \$18,000 a year for nonelderly citizens in this State. You can see that there is a great discrepancy between that \$7,000 and \$18,000. Both of those figures, whether it be median income of the elderly or median income of all Californians, are simply not able to keep pace with the cost of housing. Two-thirds of our elderly citizens pay more than a quarter of their income for housing. A quarter of income seems to be a number derived at as a rule of thumb, but basically the data shows that when an elderly family is paying more than a quarter of income for housing, then they are not getting proper nutrition, proper medical care, proper clothing, and all the other necessities of life.

We have been delighted with the Federal response in terms of the kind of programs that they offer. The section 8 program is exceedingly important. While we are delighted at the concept of the section 8, the numbers have been far too small. We now know that although there are some 60,000 section 8 participants here in this State, that covers only 10 percent of the need in terms of people who are paying more than a quarter of their income for shelter. What we need, really, is a great expansion of the section 8 authority. We have cities and towns in California now where over 4,000 names are on waiting lists for section 8 apartments. Those cities and towns find themselves in such a futile position that they have stopped taking names on the waiting list because, in fact, there are many years of backlog in terms of section 8 allocations.

We would strongly urge the committee to recommend a section 8 program in the Congress to meet a more significant portion of the need for rent subsidies. We know the President's budget message has given us an early signal that there is going to be greater austerity and we would urge the Congress and members of the administration to pay particularly key attention to this very high priority program.



One of the Governor's priorities is to keep elderly people in their own homes as long as they want to remain there, and have the social and economic resources to do so. We don't want to see the elderly shunted off to institutions. As the cycle of aging occurs, we have many elderly in their own homes, yet they do not have the income, nor the personal physical strength and energy, to keep up their homes. So we have our many elderly occupied homes that are in dire need of rehab and we do not have the kinds of funds for rehabilitation that will help these elderly families maintain and stay in their own homes. The fact that these homes are deteriorating means that many of them will have to be institutionalized simply because they can't keep up their own places. If we could just extend assistance to elderly families so they could keep up and maintain and rehabilitate their houses, keep them in the communities longer, that is where they belong, that is where they are the happiest, and, in fact, that is where we want to see our communities go. We are going to lose the elderly out of our communities unless we can help them maintain the houses that they are in.

We have some State programs that are designed to do that, but the fact is that our State programs really only provide a drop in the bucket. It is the Federal Government, with its very large tax revenue base, that really needs to come in and help the States and communities to offer assistance to their elderly in maintaining their homes.

Another particularly critical source of housing for the elderly happens to be in residential hotels. The cycle of downtown life is such that many of our cities around the Nation have very large hotels that were built in the early part of this century. Those hotels are no longer the kinds of places that tourists will stay in when they come to the city. They stay in the more modern motels and hotel construction. What is happening is that the downtown hotels have become places for the elderly.

We have over 16,000 downtown hotel spaces in California that are occupied by the elderly, but are unfit for human habitation. They represent fire hazards, safety hazards of all kinds. Basically it is critical that we recognize, as you said in your opening statement, the value and importance of congregate housing. We don't have to have a kitchen in every single unit. The elderly are living that way now. It is not the greatest situation in the world. In fact, what we need to do is to get out of the catch-22 and say you are in a residential hotel now, there is no kitchen in your apartment, therefore, you don't qualify for any assistance.

What we want to do is bring these residential hotels up to standard, particularly fire standards. That is an impending tragedy and we are all well aware of it and very concerned. We want to bring these hotels up to standard and we need the Federal Government to recognize that this is an important de facto source of housing and not to deny us Federal assistance simply because these hotel rooms do not each come equipped with a kitchen. There are ways to feed the families and households in these hotels. We are doing that now. What we do need is to be sure that we can qualify these units for Federal assistance.

We also are very encouraged by the HUD section 202 program. We have moneys here in California under 202 to build nearly 5,000 units. Again, though, the problem is the help is too little and too late. It turns

out to be just a drop in the bucket and we urge the committee to recommend the expansion of the 202 program in coming years. We further urge the committee to seek inclusion of an \$80 million appropriation for congregate housing under the 202 program, currently being deferred by OMB. We wish that to be incorporated into the 1978 housing program.

Let me finish this portion of my testimony by saying we recognize there are three phases of the elderly cycle. What we are hoping is that each of these phases can be recognized for its unique aspects.

The first one we might call the preventive phase. That is when the family head reaches his fifties, his or her fifties. The children grow up, leave the house, and there is a whole new set of housing needs that fall upon the household head in his fifties. What we want to see and what we are doing now in State government is getting some counseling to those families, looking at different ways that the family might make a transition perhaps from a house with empty bedrooms where the kids might have once lived to tighter quarters, but tighter quarters still within the community, more affordable, but still relating to neighbors and friends.

We also recognize that there comes a point in time when the widow or widower or even the elderly couple moves on in years and cannot stay in a private home. What we are doing now is, we are looking to increase the production phase so that we produce more new apartment units for the elderly with rents that are affordable, that will not take more than a quarter of their income. We are trying to work under the section 8 program and the section 202 programs and others. That is again where we seek and urge your help.

The final phase is that we realize in this continuum of care there are families who will sometimes need medical attention and so forth. We are looking for a third transition into housing that might be semi-institutional. You might say that it is kind of a housekeeping arrangement with close and easy access to medical facilities. This transition of housing from the counseling to the production of new units, to the integration of housing and medical care facilities, is a theme that we are pursuing in California that we think is very important.

I would like, if I may, to touch on one innovative program that we are pursuing right now. That is why these people are at the table with me.

This is Paul Dempster, president, Sailors Union of the Pacific; and vice president, International Seafarers Union; Ian Robertson, on my right, of the Sailor's Union of the Pacific; and Mary Ellen Shay of our State department of housing, who is the project manager for this particular program that I want to talk to you about.

We have an opportunity in San Francisco, I think, to take the unique step. It is a product of happenstance, but the situation is something like this. We have two cruise ships, the last two American cruise ships, luxury liners, that have been retired from service. Basically these vessels could be converted to some 460 units for the elderly and would house over 700 people. The interesting thing about this project is the fact that these vessels were never designed for housing. They were designed for luxury fantasy vacations. They have swimming pools, dance floors, lounges, libraries, reading rooms, hospitals with an op-

erating room, banks, so on and so forth, all the things that make a vacation fantasy the high-priced commodity that it is for so many Americans. The sad part of it is that these boats are going to be retired and possibly sold for scrap in the Far East. We have an opportunity to convert these to units for the elderly. We can house the elderly on these vessels for some \$29,000 per apartment. This compares to \$35,000 and over for comparable apartments on land, with none of the vacation luxury amenities that these vessels now provide at no charge, a 400-seat theater, so on and so forth.

I would like to show you, if I might, a few slides of these vessels, and mention to you four things. The first is that the vessels can provide housing, decent and safe housing, right in the heart of San Francisco. We have no buildable land for new elderly projects. They provide unprecedented recreational facilities because they were built as vacation resorts. I had the great sadness for a project here in Oakland, St. Mary's housing for the elderly, just a few blocks from this building, to have to cut out of the construction budget card systems that would allow greater security in the buildings, and a very modest sauna bath and jacuzzi for the elderly people in the basement of this building, which would have been kind of a therapy for those with arthritis and other things, a very modest cost, totaling less than \$8,000 in a multi-million-dollar project. These are the facilities that are on these ships for free, for the asking, on board these vessels.

The other aspect of these vessels is that they offer unique employment opportunities for the elderly. The kitchen facilities on board these vessels are self-contained to produce 60,000 luxury meals, a huge butcher shop, a bakery shop almost as big as this room and within the bakery shop a fancy pastry shop. These are the kinds of places where the elderly could work. They could produce bread and pastry for San Francisco. They could produce meals on wheels for other elderly and the food capacity is so great that people from other parts of San Francisco could come to the vessels to eat and take part in the public amenities and facilities.

Finally, and most importantly, the vessels have a kind of built-in security. The tragedy of our elderly is that they are afraid to come out of their apartments, they are locked in. They are afraid to even go to the mailbox for a monthly social security check. The Social Security Administration has responded to this by depositing their checks in the bank, but that even keeps them more cooped up and locked up in their apartments.

With these vessels we could have complete safety and security so that the elderly could interact with one another, roam the vessel freely and in complete safety and have all of these facilities.

If I might, I would like to ask you to sit in this chair and take a very brief look at the slides. I will show you the vessels. I will show you some of the facilities on board and try and give you some sense of how the conversion might proceed.

And that will end my testimony.

Senator DeCONCINI. Mr. Turner, we appreciate that very innovative idea, and it is one that certainly should be given serious consideration.

I am advised that in your statement, you make mention of the appropriation for congregate housing under section 202. Mr. Corwin advises me that the White House has approved that.

Mr. TERNER. I am delighted to hear that.

Senator DECONCINI. We are pleased to know that this is acceptable to the administration. I have to admit that the Special Committee on Aging did recommend very strongly that the President approve it, and that there would have been great resistance, at least from the Senate side, if it was not.

In your statement, you obviously feel it is necessary that the Federal Government participate. You talk about the Federal Government tax base being such that they could participate greater in section 202 and many other areas. It occurs, to at least this junior Senator, that these are some of the problems California has faced, the Federal Government is going to face or is facing. I think the fact the President is moving toward what he considers a balanced budget by reducing the 1979 deficit to \$30 billion—raises a question to me—I concur, first, that the Federal Government has to reallocate some funds, but what is the State of California willing to contribute to this? I am going to ask the same questions in Arizona when I hold hearings in that State. What kind of commitment can we expect from the State to enter into a partnership in this with the Federal Government, and not look solely to the Federal treasury for their resources?

Mr. TERNER. That is a fair question, Senator. The first commitment we make is the authorization of some \$750 million worth of revenue bonds that we are selling. Much of this money is going into housing for the elderly. The remainder, which is not going into housing for the elderly, is going into housing for low- and moderate-income families.

Senator DECONCINI. How much of that is going to elderly, do you know?

Mr. TERNER. We are on a 40-to-60 split there. It is roughly \$300 million. We are using the State's credit to finance elderly housing. That is an important commitment that we have made.

We are also involved in a large number of other programs. If I could just mention one, the Governor just signed Senate bill 966, the deferred payment rehab bans. One of the things that we are seeing is that in areas that are upgraded, as you mentioned in your opening statement, there is often displacement of families who are elderly in those areas because generally property values are going up. Under Senate bill 966, we will be able to allow elderly families in those upgraded areas to make the improvements that will bring their homes up to code, but, in fact, the payments on those improvements would be deferred until time of sale of their house. In essence, it is like a grant program where their home situation will be improved, but they will not be paying any more in their monthly payments.

That is an important kind of program. I will admit to you that I am not satisfied with the appropriation that followed that, but at least we have got some money to make these loans now and we will be making them this fiscal year, and we will be going back to our State legislature for increased funding in future years.

We have a number of State programs. California has been a leading State around the Nation with respect to taking elderly people who have been institutionalized temporarily and who might, without this program, generally remain in an institutionalized setting, and Mary Ellen Shay, who is with me, and others have been instrumental in integrating elderly people back into their communities after a brief

institutional stay and not letting the trauma of being institutionalized at an old age tip the balance so that the person is caught and never goes home. That is one of the things that we want to see stopped. We want to get those families home. If they can't go back to their original homes because, in fact, they are only semimobile or semiambulatory, we still don't want to keep them out of the community. We want to get them into a continuum-of-care situation so that their lives can be as normal as possible after the institutionalization.

Mary Ellen, you might want to mention to the Senator one or two other things that we are doing in California in terms of commitment of State resources and funds for the elderly.

Ms. SHAY. One of the other things that we are trying to get started is what we call a housing assistance counseling service for the elderly. We have been working on a housing assistance location service which would help older people who are inappropriately placed in homes right now that may be too large for them, to help them relocate to something that is more suitable. It would be a service that doesn't put any biases on the recommendations that are made, rather than going to a real estate agency who immediately counsel somebody to sell. We are talking about a more open-ended kind of a counseling service which we think would be very, very helpful.

We also have committed money to the serving of the elderly through assembly bill 998, which I am sure will be talked about later on when Janet Levy gives her testimony, but A.B. 998 is a multipurpose senior service center. The department of housing is working in close conjunction with the staff of the A.B. 998 project to develop housing that is as appropriate for the needs of elderly people as the social services that are being developed for the 998 project.

We are very excited about our relationship with the department on aging. It gets closer all the time. We feel that no longer are we just housers interested in bricks and mortar, but we are also interested in the people that live there. That is a big step for us. Builders traditionally are interested in building and nothing else, but we feel that we have gone beyond that.

Senator DeCONCINI. Let me move on to another question. One problem that we face in Congress is getting the right transmission of the message from the local communities. I think one of the worst things that the Federal Government can do is impose something that may work in one part of the country and not in another part. I am certainly not being critical of communities in the bay area. How do you think we can generate that interest from the local governments to come forward to us? We specifically need to line-item some of the HUD money or, more specifically, line-item some of this for housing of the elderly, rather than letting the local government make that decision. If we do that without their direction or request, you know the kind of problems that we run into. Do you have any suggestions on how we can solicit that information from the local communities, the local governments?

Mr. TERNER. Senator, that is the problem that we in State government share with you, of course. While we have our own goals and those things that we would like to see done in the local communities, we also recognize that the local communities need a maximum amount of flexibility so that they can design those programs that are exactly

right for their local situation. I applaud the Federal Government's block-grant program in that you do in the block grants give the local communities large amounts of latitude with respect to what they do, and at the same time you have a mechanism in your A-95 reviews and in your own block-grant award procedures at HUD where, although you are not looking at this line by line, you do have the latitude to allow the communities to deal with what they consider to be the most important. You also evaluate what they are saying they are going to do with these dollars along some general guidelines, that there be an emphasis on low and moderate income and so on and so forth. I think that that is an important way to go. We are trying to work within that at the State level. We review these block-grant applications. The Governor's office specifically signs off on every block-grant application that every community makes through the A-95 review process, and on behalf of the Governor our department does a lot of that reviewing.

I think we are quite happy with that kind of balance. You set up the rules. You tell us not what we must do, but in general terms what we must achieve. We are happy with that kind of an approach. I would urge that the Federal Government maintain that kind of strategy with respect to soliciting out of the localities their ideas for what makes sense in their communities, not restricting them and not rubber stamping one successful idea from one part of the country on every other community. It is important at the same time to tell the communities what you expect them to achieve, what parts of their population they must cover, what kinds of results you are going to be looking for at the end. I think if we can refine the existing block-grant mechanism that we will have a mechanism that will, in fact, not stifle local initiative, but will give us a shot at the goals that we all feel are important.

Senator DECONCINI. Thank you.

Mr. Corwin?

Mr. CORWIN. I have two questions for Mr. Turner. The first is that our hearings are alerting us to the fact that things are changing in terms of what is going on in the urban areas, that there is a lot of money going in for reinvestment, and that the market is changing. Can you give us some suggestions or examples of how we can help community organizations and neighborhood groups get some benefit from the revitalization in their neighborhoods and to participate in that for the benefit of the people living there now? Second, what can we at the Federal level do, either through a tax incentive or other mechanism, to encourage the private sector to lend some of its resources and some of its management expertise in developing housing resources for elderly people in these areas?

Mr. TURNER. Mr. Corwin, I am particularly happy that you asked that. Before I came to California to join the department of housing and community development, I was director of a community group and have a strong sense of what community groups need. I am thoroughly convinced, from my former vantage point as director of a community group, I was director of the urban homestead board in New York City, which dealt with a lot of self-help rehab in that city, and from my vantage point as director of housing and community development from the State of California, that in many cases community groups can do far better in terms of being sensitive to the

particular issues of people in those neighborhoods, people on those blocks, then we can in government.

For example, HUD just now, through Assistant Secretary Geno Baroni, made a series of technical assistance grants to community groups. It is astounding when you think that sometimes moneys on the order of magnitude of \$7,000 or \$10,000 can make the difference between an operational community group and one that simply can't get off the ground because there isn't a telephone, there isn't a storefront, there isn't a secretary there to answer that phone.

Tiny amounts of technical assistance moneys to these community groups can accomplish great things. I, once again, feel that when the Federal Government can make its dollars available to people at the grassroots level to enable them to do for themselves, we are a lot better off than with a paternalistic type of view that says, OK, here is the program, here is the cookbook and here is how you do it. That enabling kind of funding, I think, is critical. Again, my criticism of it would be that it is too little and too late. That is the kind of thing that we need more of and maybe less of the big paternalistic type of spending programs.

With respect to the private sector. I think you yourself suggested the one thought that I have on that, which is to get or give the private sector some tax advantages for doing these things.

I might add that the Sailor's Union of the Pacific in a sense is a kind of private sector situation where we in State government and they in the private sector are in partnership. I think they are doing some amazing things. They have some tax-free status. It is the tax-free status of their moneys that enables them to do socially responsive things.

I think what they are doing with respect to the *Mariposa* and the *Monterey* is exceptionally important because you have got the port cities of the Nation, all the way from Boston to Miami, from Seattle down to San Diego, cities along the gulf, Galveston, New Orleans, et cetera, these are some of the older cities, because we settled our coastline first, these are the cities that have concentrations of elderly and these are the cities that have shortages of buildable land near the center.

What we are doing with the private sector in California in a partnership with the State government and the union is that we are trying to set up a model that may, in fact, work for other port cities around the Nation. This is coupled, of course, with the fact that many cruise ships are coming on the market because the nature of the vacation industry is changing. You have the SS *United States* for sale, you have the *Queen Mary* for sale, and many others. Vacations are now oriented toward jet travel and not toward the large steamships.

What I am saying is we are looking to the initiative of the private sector, the Sailor's Union of the Pacific, in partnership with State government, they have the tax-free status, we have a situation where small amounts of technical assistance money is producing some detailed feasibility studies and I am very hopeful that this particular partnership between government and the private sector can bear fruit, not only for California and San Francisco, but for other old port cities around the Nation.

MR. CORWIN. I have one other quick question. I know in California you have established a good working relationship between the housing department and the aging department. But, in general, do you think the Federal laws we have on the books now in regard to housing and in regard to programs for the aging require enough coordination of this type. Or should they be stronger on that?

MR. TERNER. Let me say this. Whether they require it or not, any State housing director worth his salt knows that this is one of the critical problems that he must face. The housing for the elderly is one of the real tragedies, I think, of our Nation. It is a privilege to grow old and to have those extra years of life. The fact that we have—and I hope that I have that privilege too, but the fact that those families who attain elderly status don't have the wherewithall to live in decency is really a disgrace. What we are trying to do—perhaps you don't require us to coordinate with them, but, as I say, if we have any sense of responsibility in State government we know we have to coordinate because, in fact, the two problems are so integrally locked. It would be crazy for the department of aging not to coordinate with the department of health. It would be crazy for them not to coordinate with the department of housing. Health and shelter and food and nutrition, these are the necessities of life. With respect to our abilities to coordinate these programs, I am happy with the fact that we can take our own initiative. Perhaps in some other States, which I am less familiar with, you may feel you have to require it. I don't think the requirement is necessary in California, but I also wouldn't object to it because we are doing it anyway.

Senator DECONCINI. Mr. Lewis?

MR. LEWIS. I have one question.

Recently California passed landmark legislation in proposition 13. Has your department any idea what the impact of that legislation will be in terms of the State's commitment toward housing services for the elderly and have you begun any analysis of what that impact will be?

MR. TERNER. Proposition 13 is a two-way story in that you have elderly families who may be homeowners, and particularly long-standing homeowners whose tax burden will be reduced. That is a benefit. Their net shelter costs decline. The sad part is that we have so many elderly renters in California. One of the things that concerns me greatly, and concerns renters throughout the State—half of our population are renters—is that the benefits of proposition 13 were not uniformly passed on to renters. In some cases they were, in other cases they weren't. In most cases it is the sentiment of renters that the fact is they did not get their share of the proposition 13 savings.

What that has brought on in California is a great many local initiatives toward rent control. That is a very serious situation. We now have rent control in the city of Los Angeles. We have it in the city of Berkeley. We have it in the city of Davis. We have ballot initiatives qualifying other cities around the State. We have still other cities that are considering rent control. Rent control as one of the impacts and fallouts of proposition 13 or the move or sentiment for rent control is something that we must reckon with.

It has got a secondary impact that I think is even more profound on the lives of the elderly. When you have got the situation of rent



control, as we do in many cities, you have also got the situation, the secondary impact of the housing industry, the landlord industry, taking the rental units and converting them into condominiums. The conversion to condominiums is displacing elderly families. They are the ones who can't buy into condominiums. We are finding that some 85 percent of the tenants in apartment buildings which are being converted to condominiums are being displaced. This is an incredible hardship.

We took testimony from an 89-year-old woman in Oakland a few months ago that she had been displaced three times. She was a retired teacher on \$375 a month social security and a \$300 a month teacher's pension. She had moved into apartment after apartment only to find that they were being converted to condominiums. She was telling us at 89 years of age, she sat at the witness table and said "I moved with two other teachers that I retired with. We asked if they were going to convert to condominiums and they said no. They were ill and not as strong as I was." She said that in the three successive moves her two friends had died. They simply could not cope with the trauma and tragedies of these moves and disruptions. She was alive and hanging on by a thread and testifying about the condominium conversions.

This is an incredibly significant impact, I think, of proposition 13. There has been a chain of events that has done that. I think we have to do something about condominium conversion in two respects. No. 1, we have to somehow limit the conversion process. We are looking at many different mechanisms by which to do this. The other is that we have to give elderly families and low-income families that are young in age some assistance in buying into their former apartment which they are going to be thrown out of when the building converts. We are looking at a great many ways of doing this.

Senator, you asked what we are doing with California funds. We have a major proposal being drafted and they are being circulated now among HUD, where we want to go into partnership, the State government with the Federal Government, in bringing assistance to families who are being displaced by condominium conversion because, in fact, of that tragedy of being moved and disrupted continuously and that feeling of helplessness that sets in.

Those are some of the impacts of proposition 13. There are a great many, but I will say it is a two-edged sword. You have got some property tax reduction which lowers net shelter costs, but you also have a strong move for condominium conversions. That has a very negative impact on elderly families throughout the State.

Senator DECONCINI. Thank you very much, Mr. Ternier.

We appreciate very much your testimony and participation this morning.

I also want to compliment Mr. Dempster and the Sailor's Union for their innovative approach toward something new. It is something that should be looked at carefully.

Mr. Ternier, we are impressed with your testimony as to massiveness of the problem here and the statistics that you cite. I am sure that the committee will give careful consideration to your testimony and that of those who appear with you.

Thank you very much.

[The prepared statement of Mr. Ternier follows:]

## PREPARED STATEMENT OF I. DONALD TERNER

## INTRO—GENERAL COMMENTS

California's housing problems, particularly with regard to the elderly, are not unique; but they represent a severe social ill which Federal, State, and local government, as well as private industry, are trying desperately to overcome. The department of housing and community development, in conjunction with the California Housing Finance Agency, HUD, the department of aging, and various departments of local government are all devising ways to provide housing for older people which is affordable, structurally sound, and suitable and supportive to the needs of specific elderly clients. The following testimony will outline the dimensions of the housing need for older people, describe programs which are already in place to meet these needs, and finally note the gaps in existing programs for older people and suggest possible programs to fill these gaps.

## AFFORDABILITY

There are over 1,270,000 elderly households living in California today. These households characteristically live in older, poorer quality housing in less desirable areas. Incomes of the elderly, both owners and renters, are often fixed and substantially lower than other owner and renter incomes in the State.

Because of the extremely high cost of housing in California (median price of homes sold in November this year was over \$70,000 and more than 40 percent of all homes sold in California in 1977 sold for more than \$80,000 compared to only 10 percent nationwide), housing affordability in our State has become a critical problem. The problem is exacerbated for the elderly, whose median income is only one-third that of a nonelderly household, an estimated \$7,000 per year compared to an estimated \$18,000 for a nonelderly household.

While 60 percent of the elderly own their own homes, their monthly payments, including mortgage payments, home maintenance, and taxes often exceed 25 percent of their income. In addition, these homes are typically older, in deteriorating condition and worth less than the homes of the nonelderly. Of the 40 percent of the elderly who rent their homes, over 67 percent paid more than 25 percent of their income for rent, compared to a statewide total of 43 percent. At least 600,000 elderly people are paying more than 25 percent of their income for rent, and the tragic result is often inadequate funds for food and nutrition.

The section 8 rent subsidy program provides subsidies for some 60,000 participants through its existing, new, and substantial rehab programs, but the need to expand this program is self-evident since only 10 percent of those needing assistance are now receiving it. In some metropolitan counties the waiting list for section 8 rental assistance has over 4,000 names, and new applicants are not even being accepted any longer. We would urge the committee to strongly recommend expanding the section 8 program to meet a more significant portion of the need for rent subsidies.

## STRUCTURAL ADEQUACY

In addition to the affordability problem described above, there is a critical need for the repair and construction of housing units occupied by elderly people. It is estimated that 35 percent of the substandard housing in California is occupied by older people—275,000 of the 785,000 units needing rehabilitation.

In 1970 households with heads over the age of 60 occupied over 40 percent of all dwelling units lacking some or all indoor plumbing facilities, and the incidence of elderly persons living in units lacking adequate plumbing is double that for the nonelderly. In addition, in 1970 older people lived in 36.8 percent of all housing units built prior to 1939, although they only comprise 25 percent of the total number of California households. By reason of age alone it is clear that these homes will need rehabilitation work more frequently than newer homes.

## AN URBAN STRATEGY FOR CALIFORNIA

Governor Brown's key policy document with regard to the growth of cities in California urges infill development and rehabilitation of existing neighborhoods, before, considering the expansion of urban areas beyond existing boundaries. The department of housing and community development fully supports neighborhood rehabilitation, without displacement, and has developed several programs which address housing rehabilitation.

*S.B. 966—Deferred Rehabilitation Loans.* This program complements other rehab programs established by the Federal Government, such as the 312 program, the community development block grant (CDBG) rehab programs, and California's Housing Finance Agency neighborhood preservation program. All of these programs are designed to assist low and moderate income owners and renters to repair their homes and remain in their existing neighborhoods if they so choose. Funded at \$2 million, S.B. 966 recognizes a critical need and establishes an important precedent; but at best it can only be considered as a "drop in the bucket."

*S.B. 910—Housing Advisory Service.* A demonstration program recently funded to provide self-help technical assistance through local governments and nonprofit groups for persons interested in repairing their own homes. The program which is already underway on a demonstration basis here in Oakland and in the neighboring community of Hayward takes special note of energy conservation and seismic and fire safety and looks to ways to reach elderly households through participation by younger people receiving technical assistance through the program.

In addition, many area agency on aging offices provide home repair and maintenance services for older people which not only provide employment opportunities for seniors but enable them to maintain the existing homes of their fellow older Americans.

A substantial expansion of all home repair programs is essential if suitable repairs for the 275,000 units of elderly housing which require it are to be made.

#### RESIDENTIAL HOTELS

A major rehabilitation problem, which affects the elderly more than any other segment of the population, is the severely dilapidated condition of most residential hotels in large urban areas. A survey recently undertaken by our department, which is by no means exhaustive, indicates that there are at least 16,000 substandard residential hotel units in major urban areas of the State. Our department is working to expand California Housing Finance Agency loan programs to include rehabilitation of these inexpensive and integral parts of inner city neighborhoods. HCD would also recommend that HUD's rehabilitation rules regarding private bathrooms and kitchens be modified so that Federal money might be expended to repair rooms with shared bath and cooking facilities.

#### NEW CONSTRUCTION

An additional 336,000 housing units in California are so severely dilapidated that they must be replaced over the next few years. Roughly half of those units are occupied by elderly households. It is difficult to estimate how many of the additional 280,000 units of newly constructed housing would be required for older people, since figures are not available, but one incontrovertible point emerges—more new units both owner-occupied and rentals must be built to accommodate the needs of all segments of the community, including the elderly.

Since its reinstatement in 1976, the HUD 202 program has committed moneys to build 4,800 units of elderly housing throughout the State in 52 separate projects. Although few of these projects are completed to date, the 202 direct loan program is clearly one of the best programs for providing new housing opportunities for elderly and disabled people to emerge from the Federal Government. We would also urge the committee to strongly recommend an expansion of the 202 program in coming years. We would further urge the committee to seek inclusion of an \$80 million appropriation for congregate housing under the 202 program, currently being deferred by the Office of Management and Budget, to be incorporated into the 1978 housing appropriation.

The California Housing Finance Agency operates a program similar to the 202 program, funded through State revenue bonds. To date CHFA has funded 29 elderly projects, including two here in the city of Oakland, providing 3,010 units of housing for the elderly. Each unit is subsidized with section 8 rent subsidies, thus making them affordable for low-income elderly residents. The program is highly successful and applicants from throughout the State have indicated an interest in participating in the CHFA direct loan program. Unfortunately the program is limited by the number of section 8 subsidies granted by the Federal Government, and we would recommend that the committee urge the allocation of additional section 8 units to the CHFA in order to provide more loans for the construction of elderly housing.

## SUITABILITY

We are housers, and housers typically look to the technical aspects of housing construction when building a project. Recently, however, the department of housing and community development has begun to work much more closely with the department of aging in the development of housing which is specifically designed to meet the needs of particular groups of elderly people. Using the three phases of housing need described by the department of aging in their long range plan, the department is actively developing a continuum-of-care philosophy which will serve the elderly through a transition from people who are active to people who are frail. The three phases are:

*Phase I. Preventive Phase.*—Families begin to change once the family head reaches 45-50. Children grow up and the housing needs of the families change also. The department of housing and community development is planning to introduce legislation in the coming session which will create a housing counseling service which will enable older people to consult with an impartial expert on ways to improve their housing situations. The service will include roommate referral services, advice on the pros and cons of selling existing homes and moving to condominiums or apartments. The service will describe all alternatives in helping people make the crucial decisions regarding their future housing needs.

*Phase II. Production Phase.*—As people grow older, their physical abilities and incomes generally decline. Thus a need for well-maintained and inexpensive housing opportunities develops. This need must be filled by new production, and by expanding the section 8 program and continuing to build new units under the section 8 new construction program, the 202 program, and CHFA direct loan programs.

*Phase III. Protective Phase.*—Finally, as people's ability to function in private settings diminishes, it is often necessary to support older people with the facilities of nursing homes or convalescent hospitals because they lack the ability to live independently. We believe that the construction of congregate living facilities and apartment units with medical and social services easily accessible will reduce the need for 24-hour care facilities for the elderly, and would be much more affordable than traditional nursing home care.

The Department has worked closely with the project staff for the multipurpose senior services center which was funded on a demonstration basis last year by the State legislature to develop a system of services and medical attention which will enable persons to live in their own homes and neighborhoods longer than is traditionally possible now.

## MARIPOSA/MONTEREY

Finally, in keeping with the neighborhood theme, I would like to describe a concept which the department, in conjunction with the Sailors' Union of the Pacific and team of experts in the fields of aging, finance, and design, is currently developing—the creation of a floating residential community for the elderly on board the cruise ships the *Mariposa* and *Monterey*.

Senator DECONCINI. I want to take a moment to introduce William E. Oriol, sitting behind me, who is staff director of the Special Committee on Aging.

Our next witness will be Lionel Wilson, the mayor of Oakland.

We will take a 10-minute break at this time while the mayor comes out. We will be back at 20 minutes after the hour.

[Whereupon a short recess was taken.]

Senator DECONCINI. The committee will reconvene at this time.

We are extremely pleased to have with us today Mayor Wilson, of the city of Oakland.

We have Charles Drasnin, president of the Oakland Community Housing Corp., and Carl Jones, president of the Congress of California Seniors.

We are very pleased to have you here, gentlemen.

Let me once again, on behalf of the Special Committee on Aging, thank the city of Oakland for their hospitality.

Please proceed, Mayor Wilson.

**STATEMENT OF MAYOR LIONEL WILSON, OAKLAND, CALIF.**

Mayor WILSON. Good morning, Senator, ladies, and gentlemen.

It should come as no surprise to the committee to find that Oakland's elderly population has housing problems similar to the elderly in other urban centers. The causes of the senior citizen housing shortage are too numerous to fully detail. However, I do feel that it would be to the benefit of the committee for me to highlight four or five factors that have most affected the ability of Oakland's large elderly population to find and retain safe, decent, affordable housing.

First and foremost, it should be pointed out that a disproportionate share of Alameda County's elderly reside in Oakland. While only a third of the county's total population lives in Oakland, our 66,422 people over 60 years of age constitute almost half of Alameda County's elderly population. That is approximately 47.3 percent. Furthermore, almost 55 percent of the county's elderly poor, and 65 percent of the county's minority low-income elderly, are concentrated in Oakland. Of all Oakland residents 60 years of age or older, 20 percent have incomes below the poverty level. Of this last category, 25 percent are members of minority groups.

Oakland's housing assistance plan estimates that 47.5 percent of the low-income households in the city are composed of one- and two-person elderly or handicapped families. That is, almost half of the housing needs of low-income households in Oakland are generated by little more than 13 percent of the city's population. Put more succinctly, the demand for senior citizen housing in Oakland is greater than the demand for similar types of housing in our suburbs.

A second contributing factor to the housing problems of the elderly is inadequate income. Upon retirement, the elderly experience a sharp drop in income. With the enormous inflation rate of the past 10 years, the buying power of the elderly has been drastically reduced. For the fixed-income elderly, the situation grows worse with every passing year. Despite changes in mandatory retirement laws, the popular prejudice against hiring older persons and a scarcity of part-time employment restricts the ability of the elderly to supplement their retirement income and thereby pay for decent housing.

In fact, it has been estimated that more than 80 percent of the so-called problems of the elderly are income related. Older persons with adequate incomes can resolve the age-related problems associated with nutrition, transportation, public safety, health, and particularly housing. It is not unusual to find low-income elderly persons paying more than 50 percent of their monthly income for rent. And it does not appear that any relief will be forthcoming in the near future. Despite the major property tax savings received by landlords with the passage of proposition 13, the city has received complaints from senior citizens who have had their rent increased up to four times the past year. And although the problems of the older renter are the most dramatic and traumatizing, the elderly homeowner does not escape unscathed. Many older homeowners are forced to literally watch their homes deteriorate around them because they are unable to perform or cannot afford basic home maintenance and repairs.

Inadequate supply is a third factor that severely handicaps the senior citizen in his search for decent housing.

Oakland's stock of affordable housing is declining. Almost 7,000 housing units have been demolished over the past 10 years, an amount almost equal to the city's total assisted-housing stock of approximately 8,000 units.

Further disrupting the housing supply for the elderly is the trend toward the conversion of multifamily residences into condominiums. The impact to date has been felt by the elderly who cannot find comparable housing if they are unable to purchase the converted unit. In areas with low vacancy rates, conversion removes existing apartment buildings from the rental market, and thus causes a shortage of rental housing as demand outstrips supply. This forces rents to rise and puts pressure on the rental market as a whole.

In addition to supply and demand factors, and inadequate income, our senior citizens must also cope with a highly competitive housing market.

In the competition for housing between young persons just starting households, students, single professionals, and the elderly, the older person invariably loses. Their income does not allow them to meet increases in rent, or to adapt to different lifestyles and/or neighborhoods.

Lower income older persons have responded to this competitive disadvantages by seeking housing in residential hotels located for the most part in downtown Oakland. Because of their fear of crime, they are often unwilling to venture onto the streets and are thus cut off from normal social activities and access to social, medical, and nutritional services. A picture emerges of the older renter pushed from the peripheral suburban areas to an urban area with rising rents and increased demand for housing. Housing alternatives for the elderly renter thus becomes more severely constrained.

The city of Oakland's office of community development has responded to many of the forementioned housing problems with a variety of programs.

For rehabilitating our old and existing housing stock, the city offers the home maintenance and improvement program which provides rehabilitation loans for low- and moderate-income homeowners at 3 percent interest. For those homeowners who cannot afford an interest-bearing loan, the city offers HMIP, deferred payment loans. The deferred-payment loan is interest free and payment is required only upon transfer of ownership. In select cases, grants up to \$4,500 are available to the low-income homeowner for health and safety repairs.

Complementing the rehabilitation loan program is the home repair program. CETA-trained personnel utilizing materials purchased through the grant program mentioned above correct health and safety problems associated with deferred maintenance. It is estimated that 85 percent of the recipients of the service are senior citizens.

Section 312 loans are also available at 3 percent interest for property owners in urban renewal, homestead and neighborhood strategy areas.

Other city of Oakland initiatives aimed at alleviating some of the housing-related problems of the elderly are the proposed downtown multipurpose senior center and a temporary moratorium on condominium conversions. The moratorium for its part is designed to suspend conversions pending the adoption of an ordinance that will maintain the ratio of converted units to rental units.

There are several options that should be considered in the near future as further means of alleviating the plight of our urban elderly.

Land banking. Good sites for elderly housing are becoming scarce. As funds become available, it would be wise to acquire prime sites for the future development of senior citizen housing. These sites could then be sold to nonprofit developers as Federal funding for the construction of housing becomes available.

Rehabilitation of residential hotels. Downtown residential hotels are becoming an important resource for the urban elderly. Low-interest rehabilitation loans are made available with the stipulation that rents increase no faster than the cost of living would help insure our elderly safe, decent, reasonably priced housing in our downtown areas. This would be a positive step toward insuring that that last refuge of the displaced senior citizen is not eliminated.

Supportive services. There is an increasing need for facilities for the elderly that provide homemaking and shopping assistance, meals, and other nonmedical aid. The Congregate Services Act of 1978 will permit the development of housing for the elderly with these types of services incorporated.

In conclusion, the fact remains that regardless of the imagination devoted to program development, the efficient utilization of volunteers or the cutting and slashing of bureaucratic waste, progress in meeting the housing needs of Oakland's elderly will be slow without an increased Federal commitment. No matter how Oakland responds to the housing problems of the elderly without a serious reordering of national priorities and increased spending at the local level, things will not improve. The general housing situation for older persons will further deteriorate.

Many of the city's housing programs are oversubscribed or have been temporarily suspended because of the overwhelming demand for housing assistance. There is no hidden technique or administrative procedure that can take the place of federally financed housing assistance programs. The quality of life for our senior citizens in the near and distant future will depend in large part on Washington's commitment to housing assistance programs for the aged. In Oakland we look forward to working in partnership with the Federal Government to make our city a better place for all of our senior citizens.

Senator DeCONCINI. Mayor Wilson, thank you very much.

Let me go on to the other witnesses before we get into the questions. Mr. Drasnin, you may proceed, please.

**STATEMENT OF CHARLES G. DRASNIN, PRESIDENT, OAKLAND,  
CALIF., COMMUNITY HOUSING, INC.**

Mr. DRASNIN. Mr. Chairman, it is my purpose to discuss what happens to the elderly who are displaced because of local redevelopment. Our experience in Oakland is a classic case history.

In late 1972 a number of local community organizations became aware that in the planning for the city center redevelopment project no plans were being considered to develop replacement housing for those persons to be displaced. We also became aware that the redevelopment agency was seeking a waiver from HUD on section 105-H, replacement housing requirements, under the Federal Housing Act.

We began a series of meetings with the redevelopment agency and the city council during the course of which they were informed that we were prepared to bring legal action to protect the rights of the people to be displaced. I should indicate here that in the San Francisco Yerba Buena project that city has suffered a series of long and costly delays due to legal actions brought to secure replacement housing and that staff of the Oakland agency were painfully aware of the possibility of the same thing happening here.

We made clear our support for the city center project, but we said most emphatically that with a rental vacancy rate of less than 5 percent and a waiting list of 24 months in existing senior citizen housing apartment buildings, we were determined that new replacement housing be made available.

Finally in May 1973, the city council instructed agency staff to work with the community groups in developing a program for the new housing. By October 1973, we had agreed on the number of units to be developed: 170 senior citizen units, 100 units in congregate housing for singles who lived in the dilapidated hotels that were wrecked, and housing for 30 families. It should be noted that many of the residents of the area did not wait for relocation assistance, but began moving out on their own. Where they went is, of course, not known.

We then incorporated OCHI as a community nonprofit organization and were given the charge to find sites, develop architectural plans, hire consultants, and plan the projects. But what OCHI needed now was a disposition agreement with the city authorizing us to go ahead. This is where we entered the bureaucratic maze. Although agency staff was supportive, we had to contend with a number of factors—the death of the executive director of the agency, the reorganization of the agency, the resignation of the director of the agency, the election of a new city mayor and council members who were supportive of our programs, the resignation of the city manager, and the ever-present maze.

Draft after draft of the agreement was drawn and changes made. Finally with proposition 13 about to be passed, we accepted a proposal from the new city manager that the \$3 million in accumulated tax increment funds, plus interest accrued, would be all the moneys to be made available by the city, plus the city pledged to assist in securing funding and section 8 rental subsidies.

Finally, after more than 5 years, on October 10, 1978, we have secured a signed agreement, and now the work begins anew and in earnest for OCHI, which is now the legal sponsor, developer, and ultimately the owner of the planned project.

Mr. Chairman, my statement here is not complete. The tone upon which I end is too optimistic in view of the reality of the situation today. Only recently have we become aware of the fact that the Office of the Budget and Management and the national office of HUD are in conversation and discussing the proposed 10-percent cut in their budget. Now, the proposed 10-percent cut can take many forms. One of the forms is that there will be cuts in the insured programs, there will be cuts in the section 8 programs, the subsidized housing programs. If these cuts take place and these programs are not made available to us, our hopes and plans for the development of this housing is all in vain. We will not have housing in Oakland; we will not have



this replacement housing in Oakland if HUD is not in a position to render us support as necessary. I think the charge remains with your committee to do what you can on a national scale and see that HUD is able to carry out its duties. We need more, not less, support. I think you should carry this message back with you.

Thank you very much.

Senator DeCONCINI. Thank you very much for your testimony.

The next witness is Carl Jones.

**STATEMENT OF CARL JONES, SHINGLE SPRINGS, CALIF.,  
PRESIDENT, CONGRESS OF CALIFORNIA SENIORS**

Mr. JONES. Mr. Chairman and members of the committee, my name is Carl Jones and I am president of the Congress of California Seniors, an organization of senior citizen clubs in California.

Most seniors are on fixed incomes and they are faced with increases in costs which price them out of many necessities of life.

Older people who thought they were well prepared for their retirement are faced with double-digit inflation—increased costs of food, clothing, medical services, interest, and taxes, which have brought them to their knees. The thought that they might be obligated to charity is a black mark against our society.

Medical costs often cause the expenditure of life savings for that which used to be a simple illness. If the seniors are to enjoy any kind of retirement, there must be some controls on the costs of medical care. It is apparent that these controls can only be provided by legislation at the national level.

As you are well aware, there was a proposition 13 in this State that was supposed to have been a mecca for the retired people. For some reason this project is not working out the way the suede shoe salesman explained it.

Homeowners were supposed to benefit above all others. In fact, owners of income-producing properties, 65 percent of former property taxes, are the primary beneficiaries. Within another 3 to 4 years, homeowners will be in the same old groove. Some local governments have increased fees for services in lieu of taxes.

This tax shift passes onto the middle-income homeowners and renters the major share of the tax burden.

Now interest rates have been increased by about 25 percent in 1 year. This charge for the use of money further deprives seniors on fixed incomes, as well as others, of a needed and adequate living standard. In El Dorado County there are 70,000 parcels, 32,000 of which have sold since the 1975 date and for that reason alone are on the old tax schedule.

The renters were promised relief by the proponents of proposition 13. In fact, they have received no benefit whatsoever, and in many cases rents have been raised. Most renters, and especially those on fixed incomes, can ill afford such increases. A report on San Diego County mobile home parks is fairly representative of the problems statewide.

A hasty survey of parks built within the last 2 to 14 years reveals that family parks charge more rent than adult-only parks. Effective on January 1, 1978, the lowest space rental was \$107 per month and the highest was \$225 per month. In every case electricity was extra and

gas meters were installed in many parks during the year, whereby the gas became an extra billing charge. No credit was given for the gas charge which had been included in monthly rent. Several parks have imposed a trash pickup charge recently. Again, no credit.

After proposition 13 passed, the State took surplus tax money and bailed out the counties. About 45 percent of the surplus tax money was initially paid by renters who had also paid increased rents to offset landlord taxes.

The renters paid excessive sales, State income, tobacco, alcohol taxes, et cetera, which made up the surplus.

These surplus taxes were used to offset the loss under proposition 13 in revenue from property taxes to the counties.

In addition, there are increased fares for municipal transportation and parking in the city- and/or county-owned facilities. Some of the counties are reducing tax-supported accommodations for senior citizens and their programs. The renters have been left out of tax relief.

Another area seriously affecting seniors is the conversion of rental units to condominiums and forcing renters to purchase or move out. Areas with practically a zero vacancy, such as San Diego, Los Angeles, Santa Barbara, and the San Francisco bay area, present serious problems. Renters are frequently required to pay substantial purchase prices in order to maintain a roof over their heads.

There are approximately 10 million people renting in California. There are approximately 1,500,000 senior citizens in the State who are renters. Thousands of rental units in California are owned by persons not citizens of the State and, in many cases, not citizens of the United States.

There is an urgent need for low-cost rental housing and for low-cost space for mobile homes. The logical solution would be the State and/or the Federal Government to provide adequate, reasonable, low-cost housing and mobile-home parks for the use of the citizens.

When a person on fixed income is faced with exorbitant increases in interest, exorbitant increases in food, clothing, medical, and hospital costs, exorbitant increases in cost of living, added charges for transportation use fees, admission charges, et cetera, it is quite evident that something has to be done to correct the situation. That correction is overdue. It must be done immediately, not next year. To delay will force more of the population into Government-provided programs which will do violence to the entire economy.

Senator DECONCINI. Thank you, Mr. Jones, Mr. Drasnin. We appreciate your comments. I get the message, but let me ask you a question about that message. It seems to me also that one thing you did not touch on was the inflation pressures that hit people on a fixed income. I happen to believe that one of the biggest causes of inflation is the deficit spending the Federal Government has indulged itself in for a number of years. Where do you think the priorities should be, in your judgment, either one of you, as to the shifting of Federal expenditures? Should we shift away from the military? Should we shift it away from education? How do we meet this urgent need that you point out that is present and getting worse instead of better?

Mr. JONES. There should probably be a shift from military. I hate to put myself in the position of speaking for those that know how to

run a military establishment, but there is a lot of money going into that particular area and there are a lot of other supplemental programs for various people, including large industry. If it comes down to whether a person eats and lives well and there has to be a priority, then the priority should be made in favor of the senior and not in favor of the other establishments. Too long or too many times when there is a cut in programs the seniors immediately get the cut. This is going on now in this so-called operation to implement proposition 13. The truth of the matter is that I doubt if anybody knows what the hell proposition 13 means. Every day they come out with a different solution. It always hurts those on a fixed income worse than it does the others. Naturally everything that I have mentioned has to do with cost of living.

Mr. DRASNIN. Mr. Chairman, I think you have asked a very important question that is basic to the whole functioning of our society at this time. We have responsibilities as a people. The question is where shall our priorities go? It is not that we don't have money. Nobody, I think, in his right mind will say that we are a poor nation, that we don't have the resources to do that which must be done. The question is how do we allocate our resources.

Let me ask you this, Senator. How can we, in all decency, speak in terms of abridging and curtailing the development of social programs that our people must have and, at the same time, blindly accept the notion that we can spend all or we should spend all this money that is now being made available to the military. I am not a military person. I, no less than many other people, can judge this, whether or not the military is doing the right thing. I submit to you, and I think every American recognizes that if we had the necessary forces at this time, military force, to maintain the integrity of our country, and we do have, how many times must we be prepared to kill our presumed enemies? I think we have to at this time consider that we have to be aware of the very important responsibility that we have to our own citizens and direct our priorities in that direction.

Senator DECONCINI. Thank you very much.

This is constantly a struggle that those of us in Congress have, because of the military and nonmilitary are constantly telling us that we must maintain our technological superiority in order to maintain the quality of life that we have, even though it is disappearing certainly in the area of aging. I struggle with that each year because I am cognizant from this hearing, and other hearings, that what you are telling us is so true. The needs are there and we can't afford to reduce the Federal commitment, nor can the States and the local governments afford to reduce their participation in funding good quality programs for the elderly. Your message is clear, gentlemen. I thank you for your time and your participation today.

The next panel of witnesses can come forward. Wilbur Hamilton, Glenn McKibben, and Gordon Chin.

Gentlemen, let's proceed. If you can, limit your remarks for us to our time constraints of 5 to 7 minutes. It would be helpful.

I will start with Mr. Hamilton, executive director, San Francisco Redevelopment Authority.

**STATEMENT OF WILBUR W. HAMILTON, EXECUTIVE DIRECTOR,  
SAN FRANCISCO REDEVELOPMENT AUTHORITY, SAN FRANCISCO,  
CALIF.**

Mr. HAMILTON. Thank you very much, Senator and members of the staff.

The San Francisco redevelopment agency's housing programs to a great extent are designed to fit the needs of people that reside or did reside in the areas prior to redevelopment. If the area was mainly populated by families, it follows that the housing program will include a large component of family housing. If the area was or is populated by the elderly, the housing program will include a large component of elderly housing. And, of course, if the areas are mixed, the housing reuses will be mixed.

I should also point out that San Francisco's redevelopment agency operates on less than 4 percent of the total land area in San Francisco. Our housing programs are also designed to serve the income levels of the resident population. That is why Hunters Point has a large component of lower income family housing and YBC has a large component of lower income elderly housing. It is true that that elderly housing program is as a result of long and difficult legal struggles that could have and should have been avoided by appropriate planning on the front end.

Currently the agency is the only city producing agent developing significant numbers of subsidized housing units for families. The private sector, operating through OCD, produces mostly elderly housing. The housing authority in recent years has produced mostly elderly housing. Without the agency's program, lower income families in San Francisco would be going unserved.

Notwithstanding we have managed to devote a significant percentage of our total housing program to elderly needs and have made a considerable contribution to the city's total supply of subsidized housing for the elderly.

We have done an effective job of getting low-to-moderate income housing for the elderly built in San Francisco, both inside and outside of redevelopment areas. That has to do with the unique settlement of litigation in YBC which gave us the authority to find and provide units outside our redevelopment areas. We have more than 2,800 units so far, with another 400 under construction and another 825 in the planning stage.

In fact, low-to-moderate income housing for the elderly built in San Francisco accounts for 30 percent of our subsidized housing program inside renewal areas. We could do more and we would like to do more. The only way that can happen is for the city to continue a sensitive but active use of the tool of redevelopment. We proposed a new coalition and working arrangement between neighborhood and community groups, housing development corporations and the agency under which we would provide technical assistance to these groups to avoid the inordinate administrative costs of staffing each of these groups in every neighborhood. We would become a technical resource center providing that assistance.

An example of this is Nihonmachi Terrace in the western addition area A-2 project, which combines low-to-moderate housing for the

elderly along with families and does it in a way that provides privacy for both—neighborhood and community when each desires.

At present we are planning to build 100 to 200 units of low to moderate senior citizen housing under the section 8 program, complete with kitchens, laundry, and recreational facilities in Hilltop Plaza, atop Hunters Point. All told, 1,613 homes will be built in Hunters Point.

This is appropriate because the agency's rehousing caseload at the Hunters Point project involved only 63 elderly at the time. Of that 63, 38 moved into new Hunters Point housing under either section 8 or 236, five into new western addition housing, and 20 outside of renewal areas. The 20 who moved out can elect to return should they exercise their certificates.

The section 8 program is favorably tilted toward profit-motivated developers of housing for the elderly who can earn greater profit from tax shelters and lower risks. The section 202 program is a good vehicle for solvent, well-established nonprofit corporations. Under either of these programs, developers of elderly housing can easily be attracted so long as there are sufficient Federal subsidy dollars.

As a demonstration of the tremendous need for further subsidy dollars, on or in February 1978, when approving the assignment of the city's 1978 section 8 allocation to projects, HUD placed strict limits on the number of elderly housing projects that could be funded because it felt the city's program was already too heavily weighted in that direction. In the spring of 1978, a HUD offering of section 8 family units was only marginally successful. Unexpectedly in July, HUD received additional section 8 money for San Francisco and agreed to release it for elderly housing.

The HUD offering of 245 section 8 units for elderly housing in July 1978 elicited proposals from 18 developers encompassing or proposing 1,500 dwelling units. Most of these proposals were good and many were outstanding, but because only 245 units could be funded, 16 proposals, or some 1,120 units, had to be turned down.

We would suggest to you that as a public entity involved now in the development of housing for all income levels in the city, that an appropriate level of Federal funding is essential if we are to meet these housing needs.

Senator DeCONCINI. Thank you, Mr. Hamilton.

I also want to welcome Abe Papkoff to our panel.

Mr. McKibben, you may proceed.

**STATEMENT OF GLENN B. MCKIBBEN, EXECUTIVE DIRECTOR,  
COMMISSION ON AGING, SAN FRANCISCO, CALIF.**

Mr. MCKIBBEN. Senator DeConcini, staff members of the Senate Special Committee on Aging, citizens of the bay area, as the director of an area agency on aging, it is my purpose today to remind you of our mandated responsibility to provide for the housing needs of the elderly, to apprise you of the local condition, and to suggest that despite the mood of austerity developing in our country we cannot afford to turn our backs on these needs.

Our responsibility is clearly set forth in title I of the Older Americans Act of 1965. Under this act, "it is the joint and several duty and

responsibility of the governments of the United States and of the several States and their political subdivisions to assist our older people to secure equal opportunity to the full and free enjoyment of the following objectives \* \* \*” Housing, after income and health, is listed as the third ranking priority among 10 objectives. Thus, the mandate reads that we must help provide “suitable housing, independently selected, designed and located with reference to special needs and available at costs which older citizens can afford.”

In San Francisco, 13 years after these words were written into law, we cannot escape the irony of a situation wherein the city joyously lays down a red-carpet welcome to thousands of visiting senior citizens who stay at the best hotels, eat in some of the finest restaurants and enjoy a wide range of entertainment while only a stone's throw away from these tourist centers thousands of our local senior citizens live in virtual captivity in the tenderloin, crammed into one of the most ghastly and dangerous ghettos for the aged in this Nation.

I would just like to indicate to those present that I was part of a tour that Senator DeConcini and his staff took yesterday in the tenderloin.

The housing need in San Francisco is critical. The social climate is explosive. And, still, there does not exist a comprehensive citywide needs assessment of elderly housing supported by scientifically collected hard data. Nevertheless, the housing need of San Francisco's elderly is perhaps the most highly visible need of any unassessed need I have ever encountered, plainly apparent to all segments of the population. The daily experience of citywide and neighborhood social agencies and groups confirms what is self-evident, that many problems of the aged can be traced to the taproot of insufficient or poor housing. Further evidence of this awareness is the recent formation by some 45 nonprofit organizations and agencies of San Franciscans for Better Housing, a vehicle originally coordinated by the Catholic Social Services agency to search for solutions to the housing problems of the low-income and the elderly. The commission on aging is cooperating with this new effort and one of our staff members serves on the organization's steering committee.

A housing crisis for the elderly does indeed exist in San Francisco. Elderly people on low or moderate fixed income are digging into their food money to pay a disproportionate amount of their income on highly inflated rents that continue to inflate. The commission's information and referral service receives a monthly average of 300 telephone calls that are related to housing needs of the elderly. As property speculation continues unabated, the statistics of tragedy mount in our office and in all agencies dealing with the elderly. They are the most helpless victims of the housing shortage.

Elderly tenants, some who have lived in the same apartment 20 or 30 years, are being forced to move because of rent increases as high as 100 percent. Many landlords are enforcing these drastic rent increases with eviction proceedings. In the first 5 months of this year, landlords have gone into court 649 times to seek evictions, with 159 actually being carried out. Since then evictions have escalated and the sheriff's department reports an average of 40 evictions per week. Over the past 2 years, evictions of senior citizens have risen 400 percent. Is this not

the ultimate indignity to inflict upon our senior citizens. Symptomatic of this deplorable situation is the emergence of a new business enterprise, professional evictors, who, for a flat fee, handle the entire matter for the landlord. I have an exhibit from local newspapers illustrating this development. To the elderly, tenant eviction is a traumatic experience, sometimes irreversible. It is interesting to note, in passing, that in the country of West Germany it is illegal to terminate the residential lease of a retired elderly person for any reason.

The cruel fact of life in San Francisco is that the evicted or displaced older person on fixed income has nowhere to go, no suitable, acceptable alternative—the tenderloin is not a viable option—not for an elderly person trying to preserve his life and dignity. There are no programs to adequately provide for the victims of this housing crisis, no emergency program or facility to provide a senior citizen with safe, sanitary, and comfortable quarters for an unlimited period of time to adjust to the dislocation.

Of San Francisco's population, 22 percent is age 60 or older, an increase of 3.6 percent from 1970 to 1976, and all projections indicate the rate of increase will continue and escalate despite the increasing rate of displacement. More than 65 percent of the elderly here are renters, compared to 35 percent renters statewide. The elderly pay from 35 to 48 percent of their income for shelter unless lucky enough to live in subsidized housing as compared to an average of 22 to 28 percent by the general population. On an SSI income of \$306 per month, this leaves little for food or other necessities. Outside the tenderloin, a virtual zero vacancy factor exists for low-income elderly seeking decent housing they can afford. In the general market, because of the lack of sufficient new construction, the vacancy rate for housing is about 2 percent. About 44 percent of the units available to the elderly are single rooms without kitchens in high-crime, low-security areas. At least 70 percent of San Franciscans who need better housing are elderly.

While the San Francisco Housing Authority is the city's largest provider of senior housing, 1,677 units in 19 buildings specifically designated for seniors and handicapped persons, the demand far exceeds the supply. Often the location, design, and services are undesirable and inadequate. About 60 percent of these buildings are located in the tenderloin, south of Market or inner Mission districts. The largest of the buildings, Clementina Towers with 276 units, has for years stood in stark isolation south of Market surrounded by the redevelopment no man's land of Yerba Buena, virtually under siege by the most unstable, socially disoriented elements of the city's displaced population—the elderly living in fear in an environment of crime, drugs, muggings, and rapes.

Because of the concentration of public senior housing in the central areas, the few private developers of senior housing often tend to look to the same neighborhoods for building sites. Part of the problem in San Francisco is this stratification. We need to open all desirable residential areas to our senior citizens. At any given time the housing authority has more than 3,000 elderly persons on the waiting lists for apartments. This constitutes about 60 percent of all San Franciscans on the housing authority's waiting list. Persons on this list have waited as long as 3 years for a vacancy. Another 1,500 to 2,000 elderly are on waiting lists for various types of nonprofit housing. The private sec-

tor, for the most part, does not maintain waiting lists, despite requests from the elderly.

Out of some 82,000 households determined to be eligible for some kind of programmatic assistance, 27,000, or 33 percent, are headed by elderly persons. An estimated 14,000 to 17,000 elderly persons are trapped in the tenderloin, many living in high structures lacking elevators, without private baths, and no cooking facilities.

With current construction costs of new housing in San Francisco coming to about \$40,000 per unit, the city is rapidly becoming affordable only to those households where everyone is employed to help pay the rent or mortgage payments. The only American city with higher building costs is Anchorage, Alaska. And as the rental squeeze continues in traditional senior residential areas, such as the Richmond and Sunset districts, we see a sociological disbalance taking place along two lines of movement in opposite directions.

The "invisible" exodus to other counties or to the few outlying fringe areas in search of the holy grail of low rents, and the visible reverse exodus to the heart of the city, to the tenderloin, and other central areas, where a form of life can sometimes be geared to daily, weekly, or monthly rental rates.

In any case, there appears to be no doubt that the elderly are the primary victims of what appears to be an unofficial master plan to change the character of San Francisco from a city of gracious living for all segments of the population, to a monolithic service unit for the tourist industry and a paper-shuffling headquarters for multinational corporations. The elderly and low-income persons are thus bereft of housing options, deprived of a sociocultural environment of their own choosing.

What can we do? In the short term, the overriding needs are: Legislation to protect the elderly from eviction, stop the evictions and the patterns of outrageous displacement, and an immediate infusion of direct rental assistance to the elderly. In another time we provided a food stamp program to needy persons who could not afford proper nutrition. Perhaps the time has arrived for some sort of rent stamp program for the needy elderly. The existing structured approach to rental assistance through section 8 subsidies are not enough to meet the need—new vehicles are needed.

In the long term, we must first recognize that no existing Government programs were designed to cope with the present housing crisis. The linkage between rhetorical, and even statutory commitment, with the pursestrings is essential—this, despite the proposition 13 mentality that would curb all social programs regardless of need. But let it be understood that housing is not a social program. It is an obligatory investment in the economy, in the system, in the present and in the future.

Surely, if the public sector is to be restrained and limited in its spending for public good, we must look to the private sector. In this respect it is worth looking into the feasibility of enacting mandatory housing investment programs, such as exist in certain European countries, notably France, where the private sector carries the burden of housing development through such mandatory investment programs. A logical source of such investment funds, among others, is the approximately \$145.6 billion in private pension funds now being administered



through decisions of a tiny fraction of the banking institutions, with little or no acknowledgement that these huge funds are legally the property of workers who paid into them.

Meanwhile, let us explore the possibility of appropriating funds to help capitalize local public/nonprofit senior housing corporations for new construction and research and development. Local tax policies should also be encouraged through the leverage of Federal funds to block-grant moneys for such housing corporations. Top priority in the disposition and/or conversion of surplus Federal, State, and local lands should be given to the development of housing for the elderly. Not to be overlooked is that the elderly also need legal protection against being displaced through the invidious process now underway in San Francisco; that is, the conversion of existing rental units to condominiums.

In conclusion, permit me to make these observations. San Francisco's elderly are not a homogeneous group. They are composed of individuals who need a vast complex of new housing appropriate to different stages of the aging process, from conventional single family units to multiunit congregate living arrangements with full supportive services. We don't want to replace an old ghetto with a new ghetto. The statistical solution of increasing the housing stock is not enough. San Francisco needs a demographic resculpturing; entire areas must be reshaped to accommodate the elderly within a mixed environment. We must free the elderly from the vicious procrustean bed of the inner city and start reshaping the physical environment with sufficient housing options to serve their human needs. We should create senior living centers with the same community fervor that creates shopping centers.

I thank you very kindly for your attention and for the opportunity to air these views.

Senator DECONCINI. Thank you very much.

We will now hear from Gordon Chin, director, Chinatown Neighborhood Improvement Resource Center.

**STATEMENT OF GORDON CHIN, SAN FRANCISCO, CALIF., DIRECTOR,  
CHINATOWN NEIGHBORHOOD IMPROVEMENT RESOURCE CENTER**

Mr. CHIN. Thank you. My name is Gordon Chin and I am the director of the Chinatown Neighborhood Improvement Resource Center.

We are a community planning organization working on housing, open space, community centers, transportation, and public housing problems in San Francisco Chinatown.

One of the major reasons the resource center was established was to address issues such as displacement, which affect all of these problem areas. We came to realize that the impact of excessive commercial expansion, property speculation, foreign investment, and financial district encroachment were all contributing to the loss of housing, open space and small businesses in Chinatown, driving up both residential and commercial rents, and making it very difficult to develop new housing.

As such, we are faced with a very unique displacement problem in Chinatown. We do not have abandoned housing and we do not have a lot of Victorians. Instead, we are faced with a very real threat to the future of our residential community. The problem of displacement is

especially a hardship for our elderly. There are 10,000 elderly in the Chinatown area who lack the economic, cultural, and language mobility to move out.

In the past 3 or 4 years, displacement pressures have forced our existing elderly to choose between doubling up in already overcrowded and unsanitary hotels, moving into other poor areas such as the Tenderloin, or staying and enduring excessive rent increases.

Speculation has led to tremendous rent increases in Chinatown. The past few years have seen land values in Chinatown approach \$200 a square foot. We are probably the most expensive ghetto area in the country. Our proximity to high-income areas such as Nob Hill, Telegraph Hill, and Russian Hill, certainly do not lower the property values in Chinatown. There has been widespread concern that foreign investment has induced some of this speculation. However, it is very difficult to determine because very rarely do property transactions list the actual buyers of property.

One thing is clear, though. The intense competition for Chinatown's 15 square blocks of real estate has created an almost impossible market situation where realtors have told me that there is no such thing as fair market value.

About 40 percent of our property owners are family and fraternal organizations who place an intrinsic cultural value on property ownership. In general they are a better class of owners than the individual owners in Chinatown. Yet they are also feeling the squeeze and when speculators come in, everybody's taxes and everybody's rents do go up.

One case study which I feel exemplifies some of these problems, involves a building which formerly housed 149 single rooms, and 10 storefronts. In October of 1977, the building was sold for \$1.5 million cash. The new owner proceeded to convert 30 ground floor units into sewing factories, evicted those residential tenants, some of whom moved upstairs at average rent increases of \$40. The owner then put the building on the market for \$2.4 million in May of this year.

The remaining upstairs units, mainly occupied by elderly men, still lack heat, adequate wiring, and hot water. Significantly, this particular landlord, who owns a total of eight buildings in Chinatown, has never sold off properties before and has never been a speculator as such. He has remained a contented slumlord and millionaire.

We feel that his decision to sell the building was a direct result of a speculative real estate market in Chinatown. He may be looking for a buyer from the Orient. Even with the rent increases, the building has a negative cash flow. We know the problem is serious when new buyers see their primary financial gain through resale value. If the building is sold, the new owner will undoubtedly raise the rents again.

Commercial development pressures have also intensified in the last few years. We live in a community with less open space per person than any other area of San Francisco, yet a few years ago some local businessmen tried to put an underground garage at our only public playground. We live in a community where the waiting list to get into public housing is 20 years for a family unit. Yet last year a plan was raised to convert all of the ground floor units in the projects to commercial storefronts, utilizing the public housing courtyards as open air shopping malls. Chinatown already has the highest residential

density outside of Manhattan. Yet every year or so some businessmen advocate raising height limits on Grant Avenue so that high rises can be built.

Chinatown's 15 square blocks now contain 14 financial institutions and 42 jewelry stores. We are losing many groceries, small restaurants, and repair shops. Commercial rents on Grant Avenue go for \$1-\$2 per square foot, with public auctions held for leases. Often the winner of these auctions pays front money. One storefront went for \$20,000 just for the rights to the lease. In the previous case study I mentioned, after community people criticized the owner for converting residential space to commercial use, the owner offered the space to one of our social agencies serving the elderly, with the "minor request" of \$40,000 up front.

Some people, particularly local realtors, tell us that the commercialization of Chinatown is inevitable—that big money is coming in and there is nothing we can do about it. A more common reaction is one of confusion and frustration in confronting so-called private property rights. This is particularly true for the business community. On the one hand, their own small businesses are being displaced. On the other, there is a distrust of government control over private development.

In terms of community education, we've tried to raise a number of operating principles for consensus building. The primary of which is that Chinatown must be maintained as a mixed use residential community. Second, that commercial growth must be neighborhood serving and not displace tenants. Third, that Chinatown must be involved in development decisions that occur in surrounding areas such as Nob Hill, North Beach, and the waterfront. Related to this principle is our belief that new housing with supportive social and commercial services must be developed in other areas of San Francisco. And last but not least, that government at all levels must make a commitment to allocate funds and adapt programs to meet our unique needs.

We have worked on a number of projects to address these principles. We have researched ownership, speculation, and tax trends in Chinatown. For instance, we have determined that Chinatown property owners will save at least \$2.5 million in taxes due to Jarvis-Gann.

We are advocating to HUD to waive section 8 guidelines so we can feasibly plan rehabilitation of our 132 residential hotels. Given the high density and low vacancy rate in Chinatown, to impose HUD requirements for separate bathrooms and kitchens would enable rehabilitation only at a great loss in total units. We do not yet have the new housing which could serve as relocation resources for rehabilitation.

We are advocating to HUD to relax seismic requirements which are seriously hindering the financial feasibility of our ongoing, existing, new construction projects. The contradiction here is that Chinatown residents already live in the most seismically dangerous neighborhood in the country, with most of our buildings of brick-masonry construction.

We've set up our own entity, the Chinese Community Housing Corp., to acquire any land-bank sites for new construction, as the city agencies have not been able to acquire property for housing.

We're working on a comprehensive historical survey which will evaluate Chinatown buildings for historical significance and Chinatown's potential for historic district designation.

We have worked with other groups in the city to implement, thus far unsuccessfully, such measures as an antispeculation transfer tax, a renter rebate initiative, an antidemolition ordinance, and efforts to prevent the conversion of rental housing to condominiums.

In summary, what Chinatown needs is an entire range of resources to combat displacement, including effective land use and speculation controls, and a Government commitment to fund and adapt programs to suit our unique needs.

I have two last comments to make. I think it is significant that this series of hearings by the committee was spurred by your inquiry into the International Hotel situation last year. The hotel still stands. We are continuing to work toward the maintenance and rehabilitation of the hotel for elderly housing.

Last, I would like to echo Mr. Hamilton's point that section 8 allocations are sorely needed in Chinatown and in San Francisco. The major project that was approved in San Francisco recently for section 8 is in the waterfront area and we do support that project. However, we do realize that much, much more is needed in the entire city.

Thank you.

Senator DECONCINI. Mr. Chin, thank you.

I would like to ask you and Mr. Hamilton just a quick question as to a particular clause in Mr. McKibben's statement. He indicated that there appears to be no doubt that the elderly are the primary victims of what appears to be an unofficial master plan to change the character of San Francisco from the city of gracious living for all segments of the population to a monopolistic service unit for the tourist industry, et cetera. That is an interesting observation from someone who is so close to the particular problem. Do you think that there is a master plan, or is it just coincidental that these things are happening in the free enterprise system?

Mr. CHIN. I don't know if people are meeting in smoke filled rooms to develop the plan. I do know that by default we have lost a tremendous number of housing units for the elderly in the last 10 years. Official records by the city planning department show that in the North Beach-Chinatown area there has been a net loss of around 700 housing units in the last 10 years. However, that does not take into account the fact that many of the new construction projects that have occurred have been luxury high-rise condominium projects. So the actual net loss of low-income elderly units is tremendous. It is probably closer to 3,000 to 5,000 units that we have lost in the last 10 years.

I think the argument can be made that we have lost these units sort of by default, since we have not been able to land-bank sites, to acquire sites for new housing for low-income people. The Government agencies have not been able to move quickly enough. Therefore, the private sector has moved in and built a lot of condominiums. Even market rate housing is very difficult right now in San Francisco, and middle-income families have been moving out.

Senator DECONCINI. Are you saying that the local government needs to attend more to responding to these needs so that the speculative market won't be so tempting? Is that what you feel ought to be done?

Mr. CHIN. I think the Federal Government has an obligation to provide a substantial amount of resources both in terms of block-grant moneys and section 8 subsidy units. I think the local government has an obligation to move quickly enough to acquire sites when they become available.

Senator DeCONCINI. So if the resources were there, then the responsibility shifts to the local government to put it into elderly housing?

Mr. CHIN. Right.

Mr. Hamilton mentioned that we need to develop innovative mechanisms of neighborhood development housing corporations. We have developed such a corporation in Chinatown. The city has to be flexible to work with neighborhood base organizations in order to acquire property and build new housing.

Senator DeCONCINI. Mr. Hamilton, would you respond to that, please.

Mr. HAMILTON. I think the point made by the speaker to my left is well taken. With respect to the agency's involvement in the provision of housing for the elderly and the necessity to avoid the circumstances he described, I would first like to point out that in the areas where we operate we are under charges for having just done the opposite, one in particular is having built elderly housing to such an extent that we are overconcentrating elderly housing in our project areas.

It has to be recognized that redevelopment areas cannot bear the brunt of the responsibility for housing the elderly citywide and that, to some extent, was what was beginning to occur in the western addition where there is a tremendous concentration of elderly units.

Nevertheless, there is another issue that I think must be recognized and that is the obvious conflict between the regional concern to which many of our programs are addressed, that is, economic stabilization of areas that were on an economic downtrend. That goes with the new words around HUD of economic displacement where on the one hand we adjust ourselves and create programs and invited investors, invited the market rate and even speculators to come back. We have by that program in many cases displaced, in terms of the economics of trying to live there, people who were indigenous to the area, and that included the elderly.

By the way, I have met with Cabinet level HUD officials on that issue and they don't have the answer to it. One of the things we are going to have to do is to be very careful in designing programs and recognize that and address it, one of the things that Mr. Chin pointed out, and which we are definitely concerned about, is developing a coalition and cooperative relationship between housing development corporations and the neighborhoods so as to take advantage of our technical expertise and capacity in a way that the priorities for housing development in the community are established by the neighborhood corporations, but we provide the wherewithall to do it.

I think a city like San Francisco is one that has to recognize a number of things in terms of its economic base. On the one hand it needs to be concerned about the primary industry of tourism, but it has to be people oriented and recognize the needs of humans in terms of housing.

Senator DeCONCINI. Thank you very much.

Mr. CORWIN. We were glad to see that the resource center received the study grant through the help of Father Baroni at HUD. We are

looking forward to seeing the plan formulated. We will lend whatever support we can to your plan for improving housing alternatives, then, in Chinatown.

I understand that there are two sites in Chinatown which have been approved for a rather lengthy period of time for federally assisted housing for the elderly. I would like to know from you what the status is of these projects and what your experience has been in working with the local office of HUD.

Mr. CHIN. First of all, I would like to say that of the projects you are referring to, one is a section 236 project. That is the last 236 project in the country. We also have two section 202 projects that are still in the development stage. One is the YWCA resident hall sponsored by the San Francisco Metropolitan YWCA. The other is sponsored by the On Lok Development Corp. Together they have probably run into more bureaucratic problems from HUD than any other project that I can recall. The 236 project has been going on about 5 years. There was a host of different types of problems, starting with a serious lobbying effort to acquire funds from the city to purchase that property. Second, the Nixon moratorium on these programs in 1974. Third, the number of lawsuits filed by some of our friendly neighbors on Nob Hill who claimed that the project would block their view of the waterfront, despite the fact that downtown has already blocked that view.

Some of the problems the other projects have faced, the 202 project relates to HUD's inability to recognize some of the unique problems in Chinatown, the tremendous land costs, which really make some of the statutory limits unreasonable, the seismic costs which are a special hardship in Chinatown, and also the need to coordinate social and health services with our housing. We have had very good relationships with HUD back in Washington, D.C., and with the regional office, but with the area office it has been a different story.

Mr. CORWIN. That 236 project, what was the estimated cost back in 1972, and what would the cost be today to build that same project?

Mr. CHIN. In 1972 it was around \$6 million and it has doubled.

Senator DeCONCINI. Thank you very much, gentlemen. Your testimony has been very helpful to us.

Our next panel is of agency directors and assisted older individuals on bay area service programs. We would ask that they come forward. Kenneth Nunn, director of the Oakland Neighborhood Housing Services; George Davis, director of the Bayview-Hunter's Point Seniors Center; Steve Nakajo, executive director, Kimochi, Inc., a nutrition project in San Francisco; and Hisao Inouye.

We will start with Mr. Nunn.

#### STATEMENT OF KENNETH NUNN, DIRECTOR, OAKLAND NEIGHBORHOOD HOUSING SERVICES, OAKLAND, CALIF.

Mr. NUNN. I am Kenneth Nunn of Oakland Neighborhood Housing. Oakland Neighborhood Housing is located in East Oakland. We are a nonprofit, neighborhood-based corporation. The composition of our program is made up of a partnership of lenders, that is, banks and savings and loans, neighborhood residents and city of Oakland officials.

We find in our neighborhood one of our major concerns is home improvement, neighborhood revitalization, that the senior citizens in our

area, the ones that own their own homes, are better able to cope with living conditions than those who may not, but they have no money. Those seniors on fixed incomes or social security simply do not have any money. The condition of most of their homes is poor. There is need for maintenance, serious maintenance often, faulty wiring, faulty plumbing, hazardous health and safety violations in many of these homes.

What we have tried to do is to offer to seniors a program of either grants or loans that would help them to deal with this problem. We have been able to use through foundation funds a demonstration program of offering zero to market rate interest loans, zero to 100-year term. What it allows is a loan program that a senior can plug into which offers no payment or some payment to get these repairs done. Through our city of Oakland community block-grant funds we also have been able to provide a deferred loan program that will provide up to \$7,500 for emergency repairs.

We also, because of recent approval by the Oakland City Council, are now able to offer for emergency repair up to \$4,500; the idea being that we need to reach these people, we need to encourage them, we need to get them interested in home maintenance. We need to make it acceptable to them.

An additional problem we find in our area is the need for rental housing. We work with our seniors where we can to help qualify them for section 8. We also have worked with a local church and joined in promoting a new senior citizens housing facility of our Elmhurst area of East Oakland.

I have submitted a prepared statement, which has been distributed, but I would like to say that we find a need in our area typical of the need in most urban areas, and that is senior housing is critical, senior housing is related to problems. Not only that, if they don't own their own home they have to rent. There is just not enough available to rent anywhere in this country. This is of serious concern.

I thank you for the opportunity to be here today.

[The prepared statement of Mr. Nunn follows:]

#### PREPARED STATEMENT OF KENNETH NUNN

##### BACKGROUND OF ONHS

Oakland Neighborhood Housing Services is a private, nonprofit corporation created to reverse the trend of neighborhood decline in the Elmhurst area of East Oakland bordered by East 14th Street and Bancroft between 73d Avenue and 109th Avenue.

Since 1973 program operations have combined neighborhood residents, financial institutions and city government in a unique partnership that provides assistance with housing rehabilitation and neighborhood preservation.

Basic elements of the program include:

Financial counseling, referrals to lending institutions, loan packaging, direct loans,

Administration of a revolving loan fund for low income and senior residents unable to meet normal credit standards through ONHS foundation funds (high risk loans with varying terms and interest rates) and through ONHS administration of assigned community development loan funds,

Rehabilitation assistance: work writeups, cost estimates, bids, construction monitoring,

Participation in various revitalization efforts: park development, stimulation of public improvements, exterior design services, street tree planting, upgrade of abandoned properties, commercial improvement, housing development, zoning ordinances, and

Block by block housing surveys in cooperation with the city of Oakland Housing and Conservation Department.

The ONHS board of directors includes representatives from banks and savings and loan associations, city government, and neighborhood residents.

#### ONHS PROVIDES SERVICES TO SENIOR HOMEOWNERS

Oakland Neighborhood Housing Services has provided a model for similar types of programs developing in California and throughout the Nation.

A program of neighborhood revitalization and home rehabilitation reaches senior citizens in the ONHS target area through efforts of neighborhood residents working with ONHS to acquaint seniors with the services available to them.

Seniors who own their own homes need to be able to remain in their own homes.

Senior homeowners on a fixed income are unable to afford repairs for health and safety problems or code violations.

ONHS provides a variety of services to senior home owners including:

Low interest loans (0 percent to market rate) and flexible terms (0 years to 100 years) for home repairs to fit repayment ability.

Packaging of grant application for emergency repairs through special circumstance grants designed for SSI recipients administered by local welfare departments. SSI recipients are entitled to a \$750 grant (one time only) for emergency repairs, and \$350 once each year for emergency repair.

Grants to a maximum of \$4,500 are available for emergency repair and code violation removal to seniors in Oakland through the city of Oakland community development program and Oakland Neighborhood Housing Services.

Deferred loans for code violation removal to a \$7,500 maximum do not require a monthly payment but repayment upon sale or transfer of the property only.

Stimulating revitalization of declining neighborhoods clearly requires special attention to its older residents and with emphasis on preventing displacement and encouraging health and safety maintenance of senior housing facilities.

#### STATEMENT OF GEORGE DAVIS, DIRECTOR, BAYVIEW-HUNTER'S POINT SENIOR CENTER, SAN FRANCISCO, CALIF.

Mr. DAVIS. Good afternoon. The topic of discussion of this field hearing is "Older Americans in the Nation's Neighborhoods." It has a far more reaching definition than is indicated.

If one examines the older person in the neighborhoods, they would immediately notice that crimes against the elderly still exist, poverty unarrested still prevails, older Americans' homes are destroyed without consultation, displacement of seniors from their roots is practiced by the Government without regard to the overall general welfare of the older person, and zoning laws in the community where older persons reside historically prohibit them from developing more than a two-structure housing unit.

The older person in America's neighborhoods, especially in the Bayview-Hunter's Point area, has witnessed a progressive decline in their neighborhood and they have witnessed an unwillingness by the Government to eradicate that fact.

Let me address two critical issues of which concern is the greatest: Adequate housing and an immediate restoration of social programs, or why there are social service deficiencies.

In regards to housing, the Government must make a clear distinction between low-income housing for the poor and housing for seniors, even though both have low incomes.

Housing for low-income seniors should reflect their social and cultural lifestyles and not the expediency of the designer and contractor. Housing for low-income seniors should reflect the general environment of the community at large.



Currently, most low-income housing units resemble, in truth, pre-war housing units. Little concern is given to physical comfort or the changes that occur within the aging process that will change the older person's mobility within their house.

One must remember, as well, that a well senior, in time, could be a homebound elderly person, and houses or apartments must reflect this fact. Within any area of senior citizen low-income housing, a skilled nursing facility, as well as a board-and-care facility, should exist. Both facilities are an integral part of senior housing because they are homes for the disabled senior and should be within the housing structures, as opposed to being an isolated housing unit.

By having these units as part of the whole, it would provide greater integration between the disabled homebound and the well senior in various socializing events and settings.

Some seniors have indicated that they would like front porches, kitchen windows, and automatic wall beds in studio apartments to enlarge their living rooms. Some seniors wish to have parlors or back porches. One immediately recognizes that these desires of seniors should be met that have historically gone unmet.

The second issue is that of social service deficiencies which, to say deficiencies, is to quote a euphemistic term at best.

Social services were never really prevalent for seniors, historically, and yet the majority of social services were cut back in the early 1970's, and now proposition 13 is perhaps viewed as the "nail in the coffin," especially for fiscal year 1979.

The overwhelming areas where seniors live, along with other disadvantaged groups, were labeled ghettos. By sociologists and anthropologists definitions, a ghetto is an area that is a high-crime rate area, high unemployment, low income and economically underdeveloped. One does not disagree with such an articulate definition, nor does one disagree that such ghettos still exist. Therefore, it is logical to state that once social services exist, we then can determine if they are deficient.

One examines some social services seniors would like to see in existence. One prefaces that remark by saying those programs mandated by law for seniors are not necessarily social programs that provide a resulting service, that is, research programs to determine how many seniors live in area A rather than area B, how many seniors like mashed potatoes rather than french fries. Such opulence by the Government has always escaped the logic of the seniors and community residents at large.

In identifying proposed effective solutions, one suggests that private industry be encouraged to participate to a greater level in resolving some of the social problems of the senior citizens. Many companies are subsidized by the Federal Government, and when they increase their prices a percentage of that profit should be contributed to social programs.

In fact, all companies subsidized by the Federal Government should appear in a quarterly journal so that community organizations serving seniors could approach them for social obligations.

Private industry should subcontract part of their work to community organizations serving seniors so that the funds could be used to develop perpetual social programs, rather than the historical terminal program concept.

The Federal Government can play a greater role in correcting social services deficiencies. One sees the first step as bringing decaying neighborhoods up to parity with growing neighborhoods. It is one thing to have inadequate social services in a prosperous neighborhood and another thing to have inadequate social services in a decaying neighborhood.

There are other factors involved that keep decaying neighborhoods decaying. Such an example is the legislation initiative by Evan White through channel 7's program "Old Age Do Not Go Gentle." Over 200,000 older Americans in our Nation's neighborhoods stated they wanted better housing and programs related to housing communities. The bill was passed and signed by the President.

Yet the Office of Management and Budget has recommended that the spending of the money is too expensive at this point, even though the bill actually represents a savings. Consequently seniors have a law and no money to carry out that law. Therefore, one would suggest maximum political advocacy as a method to arrest social service deficiencies.

Another factor that needs to be examined and corrected in order to bring about an arrest of social service deficiencies is to reduce the cost charged by the Government to administer aging programs. Close to 40 out of 100 percent of the funds earmarked for senior programs is used up in administrative costs.

This same theory ran rampant and unchecked during the war on poverty, except it was more like 75 percent to administer the program and 25 percent for the poor. Evidence of this is clearly documented when one examines the current positions of the administrators of the poverty programs of the 1960's and early 1970's and the social position of the then and still poor.

In conclusion, seniors and those serving seniors have always proposed cost-effective realistic solutions, and the Government has always labeled them too expensive and generally develops a program that costs three times as much, hires and employs more bureaucratic "job fillers," gives more raises to those making over \$25,000 plus per year, and still gives the seniors less than 60 percent for programs.

As long as the Government continues this practice, the senior citizen will continue to be America's metaphor.

Thank you.

Senator DeCONCINI. Mary Rivers, do you have any comments?

**STATEMENT OF MARY RIVERS, OFFICE MANAGER, ECONOMIC OPPORTUNITY COUNCIL, SAN FRANCISCO, CALIF.**

Ms. RIVERS. Thank you, kindly.

I am in full support of Mr. Davis' composition on what is happening.

I am Mary Rivers, office manager with the Economic Opportunity Council for the past 13 years addressing the problems of the low-income persons for that length of time with no special specifics on seniors. They are just part of the group.

However, in the later years of our work, it has been made obvious that seniors need help. I work with these people that he speaks of, constantly and daily. There isn't housing for people who are sleeping in cars and whom I encounter daily.

In the area of Bayview-Hunter's Point there has been addressed several times housing for the elderly, but nothing has been exclusively

set aside for them, one, because of the indication of facilities that have not been in that area; two, the population living in this kind of suggested situation does not feel safe in that existence; and, three, the level of cost and expense entailed to live within their means, and the eradication of the fear of unsafe conditions existing in the area.

As I see it, the removal of the safety measures, the police-community relations were one of the most important factors that caused the removal of people from the area.

In a population of 725,000, 19,600 are seniors and 3,000 are living in the Bayview-Hunter's Point area, over a period of 13 years there has been a decrease in agency facilities for this area.

Seniors do not and are not complemented in the conditions that exist.

There is a need to increase the facilities for those older Americans living in this area, one, in flat-level housing applicable to the ability for those 55 and over to move freely and safely and comfortably in their daily lives, and, two, to have your rent gaged to meet the crisis of fixed income upon which the senior citizens in the Bayview area are encompassed with high rents. At present this presents a definite problem in being able to acclimate in their communities and to find housing facilities in other communities. They cannot move because of the increased expense and fixed income.

I would like to say that these needs and the emphasis on the senior population is the important factor at this time and that those in authority to handle this should put forth an effort to specify community purpose to this extent.

Senator DeCONCINI. Thank you very much, Ms. Rivers. We appreciate that testimony.

Mr. Nakajo?

**STATEMENT OF STEVE NAKAJO, EXECUTIVE DIRECTOR, KIMOCHI, INC., SAN FRANCISCO, CALIF.**

Mr. NAKAJO. Thank you very very much. Good afternoon.

I would like to welcome you personally, Senator DeConcini, and members of your staff, to the bay area.

My name is Steve Nakajo. I am executive director of Kimochi, Inc., Kimochi nutrition program, in the Japantown area.

We are very grateful for this opportunity to be able to address this committee in terms of our assessment of some of the needs and concerns of our people.

I have brought with me Mr. Hisao Inouye, who is our Kimochi board chairman. He has a prepared statement to read to you, which you should have a copy of, as well as a copy of our boarding care brochure, as well as a copy of our Kimochi program.

Senator DeCONCINI. Please proceed, Mr. Inouye.

**STATEMENT OF HISAO INOUE, BOARD CHAIRMAN, KIMOCHI, INC., SAN FRANCISCO, CALIF.**

Mr. INOUE. Thank you very much.

Members of the U.S. Senate Committee on Aging, my name is Hisao Inouye of Kimochi, Inc.

Kimochi, Inc., is a nonprofit agency providing multisocial services to the Japanese-American senior population in San Francisco. With "kimochi," the Japanese term for feeling, the Sansei, third-generation Japanese-Americans, started this grassroots organization in 1971 for the purpose of serving the needs of the Issei, first generation Japanese-Americans. Japanese-American elderly have not been able to fully utilize traditional programs and services provided by the mainstream society because of language and cultural differences. Kimochi's services and programs attempt to bridge the gap between existing programs and the Japanese-American elderly, and to provide programs and services where none exist. Kimochi believes in the involvement and participation of all generations, the Issei, Nisei-second generation Japanese-Americans, and Sansei, in creating a supportive and friendly environment for the elderly.

The significance of Kimochi as a multisocial service organization lies in the fact that it is based geographically in the Japanese-American community and it is directed by members of this Japanese-American community. Kimochi's services include a senior lounge that is open 7 days a week, a title VII nutrition program serving Japanese meals, a bimonthly bilingual newsletter, educational lectures, health and blood pressure screenings, translation assistance, information and referral, transportation and escort services, and home and hospital visitations.

According to the 1970 Bureau of the Census figures, the number of Japanese-Americans residing in the bay area's nine counties, Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma, is approximately 51,300. While no figures are available for the number of elderly Japanese-Americans in the nine-county area it is reported that for the combined area of San Francisco and Oakland, there are 3,180 persons of Japanese ancestry 60 years of age or older. There are approximately 11,800 Japanese-Americans in San Francisco, of which an estimated 11 percent, about 1,300 are elderly.

The San Francisco Japanese-American population is concentrated in the western addition district where San Francisco's Japantown—Nihonmachi—is located. Due to urban redevelopment and a changing economy, many Japanese-Americans and other residents are relocating outside of the western addition and resettling in various sectors of the city. A sizable portion of the Japanese-American population has moved into the Richmond and Sunset districts. Of all the Japanese elderly in San Francisco, 17.3 percent are below poverty level. However, in the western addition, 23 percent are below poverty level.

There is an increasing number of Japanese-American elderly who are limited in their ability to handle the activities of daily living due to physical, mental, or emotional disabilities. For some individuals, home health services provide the support necessary to assist them to maintain an independent life at home. In pursuing a continuum of care concept, Kimochi's programs and services were developed to help foster and maintain the independent lifestyles of the elderly. As a long process with various services needed at different stages of life. The promotion of self-determination, self-esteem, and maintenance philosophical base to our organization, we look at aging as a continuum of dignity all underlie the existence of our organization.

Adult day health care is an example of such services whereby the aging individual is provided with rehabilitative support in a community setting. Without such support, the elderly individual has little alternative but to purchase these specialized services or be placed in an institution. There are, of course, persons who do require 24-hour-a-day care who are currently placed in skilled nursing facilities, convalescent hospitals, or board and care homes. Although there are a number of convalescent hospitals and board and care homes throughout the San Francisco Bay area, none are able to provide Japanese bilingual and bicultural services. All too often we have seen many Japanese-American senior citizens placed in traditional institutions, only to watch their physical and emotional condition rapidly deteriorate due to their isolation from the Japanese-American community and alienation from monolingual and monocultural staff and services.

At this time, we would like to specifically address the recent Older Americans Act amendments. Under the old title VII nutrition program for the elderly legislation, special consideration was given to those low-income and minority persons to help guarantee that nutrition services would be delivered to this target population. The proposed legislation has been liberalized in that the emphasis was changed from low-income and minority persons to serving the economically and socially disadvantaged. We find this new term inadequate and wish to amend the amendment by specifying consideration of the special needs of minorities in addition to the economically and socially disadvantaged elderly.

Of immediate concern, of course, is the lack of adequate funding for which to develop and operate effective programs geared toward meeting the needs of the minority aging population. One specific area of need for more funding is low-cost congregate housing and family dwellings. We are presently developing a board and care project for 15 elderly which just addresses a small part of our housing need.

We believe the Federal Government should take active steps to specifically identify the minority aging as a high priority for funding and make provisions in both existing and proposed legislation to insure that the needs of minority elderly are properly addressed. With the establishment of future funding sources for minority services, Kimochi will be better equipped to help meet the rising need for bilingual-bicultural care, with particular interest paid to those who are frail, vulnerable, elderly, and who have low- to moderate-incomes.

In closing, Kimochi cannot emphasize enough the need for sensitive bilingual and bicultural care for the minority aging population. We also strongly believe that indigenous communities should be allowed to develop comprehensive services in the district in which they reside. For those of you who write the legislation, we emphasize the importance of implementation of the legislation to reflect the concept of maintaining the neighborhood identity. In a small community such as ours in the Japanese-American community, the positive aspects of aging are promoted by having our elderly in an environment sensitive to their culture and language as opposed to one of alienation and isolation.

Thank you.

Senator DECONCINI. Thank you very much.

Mr. Corwin, do you have some questions?

Mr. CORWIN. I have a question for Mr. Nunn.

We heard from Mr. Whiteside of Neighborhood Housing Services at our Washington hearing on Friday, and were most interested in supporting and formulating new programs to help older homeowners maintain their homes as a safe, affordable place to live. Do you find any special needs, or have you had to develop any special techniques to deal with the older homeowners?

Mr. NUNN. In getting the senior homeowner involved and interested is a task of its own. People don't want to obligate their property any more than they already have. Many of them are free of mortgages. If you talk about a loan, you are talking about something that scares them. That is why other kinds of things need to be developed like deferred loans where they don't have to make a payment or a grant for special kinds of emergencies. We find that with seniors, often they are reluctant to take on any additional loans or whatever. The way we deal with that is either through having neighborhood resident seniors talk to them about the program or talk to them through their families, through their sons and daughters to try and stimulate them to feel comfortable with this kind of thing. So often the problems they have in their housing conditions are so serious they really must be dealt with and it does take some convincing and a real sensitivity.

Ms. WILSON. Where do you get the money, Mr. Nakajo, to feed your elderly?

Mr. NAKAJO. We have title VII money, title III money, United Crusade, EOC, CETA, community volunteering.

Ms. WILSON. And you are making an effort to integrate all the agencies?

Mr. NAKAJO. Right.

Ms. WILSON. And you have found other sources?

Mr. NAKAJO. Right. It is something that we have learned over the years. In the beginning we didn't know if anything was going to fund senior citizens.

Ms. WILSON. Thank you.

Senator DECONCINI. Ladies and gentlemen, thank you for your statements this morning and this afternoon. They have been very helpful.

We will now proceed with the panel on Integrating Aging Services with Neighborhoods composed of Janet J. Levy, director of California Department of Aging; Michael Sneed, representing planning and program development, County of Los Angeles Area Agency on Aging; Victor Regnier, laboratory chief, environmental studies; and Sam Ervin, director, Long Beach Senior Care Action Network.

#### STATEMENT OF JANET J. LEVY, SACRAMENTO, CALIF., DIRECTOR, CALIFORNIA DEPARTMENT OF AGING

Ms. LEVY. Mr. Chairman, members of the committee and staff, this hearing comes at a time when the agency I represent is implementing California State legislation in assisting older persons to live as independently as possible within the neighborhoods of their choice.

In seeking the national goal of reducing loneliness and dependency among disadvantaged elderly and lessening the impact of chronic illness, the State department of aging has united with the California

Health and Welfare Agency and other units of State government to insure that community-based health and social services are made available to moderately frail and elderly people. California's goal is to reduce premature institutionalization and the disengagement of older persons from their communities and neighborhoods.

We of the State unit on aging have adopted a collegial approach with statewide area agencies on aging to meet this responsibility. We seek to coordinate, integrate, and link social and health services for elderly persons at the neighborhood and community level through combined State and local agencies and resources.

I regard neighborhood as being an accessible, local geographic area where the residents may not only be visible, but within a radius of communication realistic to identifying and meeting needs and interests. I see strengthened, viable neighborhoods within a community as an effective way to assure older citizens of more enriched lives, and to prolong their physical and mental well-being through projects and programs funded by all levels of government, as well as by the private sector.

Recent studies indicate that older persons have a 25-percent chance of becoming institutionalized before death. Of this percentage, the elderly who enter institutions are typically those who are already physically and socially isolated to some degree.

Although older persons are less often afflicted with acute illness, over 80 percent of the elderly are afflicted by one or more chronic health problems. While persons suffering chronic illness face physical limitations, the major conditions of chronicity among the elderly, arthritis, rheumatism, heart disease, hypertension, diabetes, asthma, can be properly treated and controlled in a clinic or residential setting even in a health care system which is oriented toward treatment of acute illness.

To meet health needs of older persons within the community, the California Legislature in 1977 enacted assembly bill 1611. This measure, the Adult Day Care Health Act, provides for a community-based therapeutic social and health activities program for elderly persons with functional mental or physical impairments.

Provisions of this law provide short-term care as a transition from a health facility or home health program to personal independence. On a long-term basis, the law also provides day care as an alternative to lengthy or permanent institutionalization in instances where 24-hour skilled nursing care is not medically indicated or is not viewed as desirable by the recipient or by family members. The bill provides for licensure by the California Department of Health of freestanding facilities and portions of health facilities to counties, cities, and non-profit corporations. Benefits of the day health care program are: That provision of health services in a group setting are more cost-effective than similar services provided on an individual basis by a home health agency; adult day health care treats medical, psycho-social, and supportive needs of the chronically ill elderly in one setting; adult day health care works to preserve family relationships and provides help to families who are trying to keep a family member with functional disabilities at home; and adult day health care works to strengthen and prolong independence by providing needed therapies to restore the participant to maximum functional capacity.

The legislative package establishing the Adult Day Health Act includes a bill, A.B. 1612, to appropriate State money to provide prescribed grants to community organizations for expenses incurred in initial operation of adult day health centers. The package also contains a bill, A.B. 1610, which permits individual California cities to participate on an equal basis with counties in preventive health care programs designed to screen older persons for chronic health conditions and, through timely diagnosis, to prevent costly and permanent or extended hospitalization.

The California Department of Aging is assisting the State department of health in coordinating and implementing provisions of these legislative enactments.

The State of California is seeking waivers of State and Federal regulations to insure that integration of services is properly tested. Additionally, the State supports the mandate to provide clients full accessibility, as set forth in the Rehabilitation Act of 1973, in the design or modification of structures to be utilized within provisions of senior health and social service legislation.

Assembly bill 998, designed to provide opportunities for good health and independent living to frail elderly, was also enacted by the California Legislature in 1977. Chapter 5 of this bill authorizes the State health and welfare agency to establish on a pilot basis projects which will test the effectiveness of comprehensive coordinated systems of delivering social and health services to persons age 60 and over. Older persons may utilize a focal point in the community for access to multipurpose senior services which provide alternatives to institutionalization.

Projects will demonstrate the effectiveness of case management techniques, one-step eligibility determination, group eligibility for particular services, combinations of services to seek the most effective means of precluding institutionalization for large numbers of elderly persons, and equitable fee schedules for those clients whose means disqualify them from assisted programs.

Chapter 6 of assembly bill 998 establishes the nutrition and volunteer service program for senior citizens. The bill requests the California Department of Aging to establish county-based pilot projects in which public and private entities will provide meals and transportation to elderly and to encourage their participation in voluntary services within communities designated.

I came to this meeting with renewed enthusiasm. In recent months, we in California have seen a new structure emerge. In a campaign addressing the fragmentation, inequity, and inefficiency resulting from 8 separate State and Federal agencies administering over 20 categorical service programs for the elderly, the California Department of Aging, the California Commission on Aging, area agencies on aging, their affiliate organizations, and recently chaptered State legislation, have initiated a statewide community-based continuum of care mechanism.

The goals of this special program will include consolidation of programs that provide frail and vulnerable elderly access to adequate health and social services to insure their ability to lead dignified independent lives for as long as possible within the neighborhoods of their



choice, and to provide appropriate facilities and services when they are no longer able to care for themselves.

Through the aid of this committee and the support of persons at the hearing today, our department seeks to identify and fill gaps existing in the continuum of care presently available to older people.

Mr. Chairman, in closing I should like to impart California's growing enthusiasm and support to you and the members of this committee for your tireless efforts toward strengthening neighborhood services designed to improve the quality of life for all older Americans.

Thank you.

Senator DECONCINI. Thank you very much.

We will now hear from Victor Regnier.

**STATEMENT OF VICTOR REGNIER, CHIEF, ENVIRONMENTAL STUDIES LABORATORY, ANDRUS GERONTOLOGY CENTER, UNIVERSITY OF SOUTHERN CALIFORNIA, UNIVERSITY PARK, CALIF.**

Mr. REGNIER. Mr. Chairman, and members of the Senate Special Committee on Aging, my name is Victor Regnier. I am an architect-urban planner and currently laboratory chief of the Environmental Studies Laboratory of the Andrus Gerontology Center at the University of Southern California.

The two major thrusts of the environmental studies laboratory are training and research focused toward the environmental problems of older Americans. Established in 1967, the program has provided masters and Ph. D. level training to 46 students in architecture, gerontology, and urban planning. The laboratory, through the degree granting auspices of the university, offers a joint master's degree in urban planning and gerontology, the only program of its kind in the country.

Our research efforts in the past 5 years have dealt with the following topics: Senior center location and design strategies, mobile service feasibility models, retirement housing, social and health system designs, curriculum development for schools of architecture and urban planning, social service assessment and allocation models, nursing home and sheltered care feasibility formulas, and shared housing schemes.

As an applied research laboratory, much of our work has been with community groups or agencies. Working hand in hand with the realistic constraints of a problem, our research and model building efforts have been successful in producing implementable results. During the past year much of our energy has been devoted to two major research projects. Both projects are examining specific social and environmental characteristics of urban neighborhoods with high concentrations of elderly.

I would like to take the opportunity today to discuss our progress and describe the implications of our research for planners, practitioners and urban designers. Both projects are currently in their second year of funding and I have prepared a mixture of conceptual research expectations and preliminary findings.

One project is jointly conducted with the Los Angeles County Area Agency on Aging. Mr. Michael Sneed will comment more extensively on the role of the AAA in acting as translators of the research into concepts that have meaning to practitioners in the field. This project

is funded by the Administration on Aging and I will refer to it as the AOA project. The second study is funded by the National Institute of Mental Health and I will refer to it as the NIMH study.

The NIMH study is a rather intriguing combination of basic and applied research. David Walsh and Iseli Krauss, experimental and developmental psychologists from the Andrus Center Psychological Laboratory, are coinvestigators of this grant. The study seeks to better understand the relationship between how older people use neighborhood environments and how they gather and mentally manipulate spatial knowledge of this environment. The psychologists have developed several unique measures of cognitive spatial ability and knowledge of neighborhood facilities. I have concentrated on developing a profile of how older people use neighborhoods and the social and environmental qualities of the physical space that encourage or discourage the use of the environment.

We hope to develop a new understanding of how the older person uses internalized images of the environment to navigate from one part to another.

A better understanding on how the older person perceives the neighborhood can provide us with valuable data about how to design neighborhood interventions that facilitate existing use patterns and create a more comprehensible urban environment.

Several interesting findings have occurred in our preliminary comparisons of neighborhood use patterns and perceived neighborhood boundaries. We have elicited data from 100 older subjects living in two low-income Los Angeles neighborhoods. A random sample was selected in each 200-square-block neighborhood and the subjects asked to outline on a map what they considered to be their neighborhood. A computerized combination of these neighborhood maps revealed a contiguous neighborhood territory that was held in consensus by the majority of older respondents. Although this consensus neighborhood includes only 15 percent of the total land area of the sample neighborhood, it accounts for 53 percent of all trips to goods and services. We believe this commonly perceived neighborhood to be a special territory where selective improvements can provide a more supportive environment for the majority of older community residents.

Currently improvements in neighborhoods take place on a piecemeal, haphazard basis. Housing projects are located; nutrition sites funded; parks and recreation programs expanded and transportation systems implemented without much thought toward how these systems work together. Janet Levy, in her remarks, has mentioned that 8 separate agencies working with more than 20 categorical programs are involved in various aspects of neighborhood improvement and service delivery to older people. Oftentimes, these efforts are uncoordinated and unrelated. The result is a lost opportunity to focus fiscal resources and manpower on creating meaningful community improvement strategies. Uncoordinated, isolated changes rarely stimulate comprehensive neighborhood improvements. Furthermore, improvements rarely include a fundamental understanding of how older people use and value certain portions of the neighborhood. We believe that if neighborhood improvements are planned in a comprehensive fashion with input from consumers, the result will have a multiplier effect on the stability and viability of the area.

A corollary analysis from the NIMH data was recently presented at the national scientific meeting of the Gerontological Society. This analysis compared our sample's perception of dangerous areas with the actual locations of street crime. In this case, 50 percent of street crime activity occurred inside the territory identified by a consensus of five or more respondents as dangerous. This territory, which included only 16.6 percent of the surrounding neighborhood, not only represents an accurate forecast of street crime activity, but more fundamentally identifies an area where the fear of crime is pervasive. We believe this type of measure can be of significant value to police by specifying portions of neighborhoods that older people consider dangerous.

The NIMH research upon its completion promises to provide new methodologies for analyzing the location and configuration of community design and service improvements. These new methods will go one step further in integrating the desires of older people within the physical realities of the existing environment.

Our AOA project is similar in some respects to the NIMH research. However, it tests more specifically analysis techniques that can be transferred from other technologies or disciplines and implemented by AAA network personnel.

Census tract data, along with an inventory of existing services, provide the major empirical base for the allocation of services in most AAA's. In most cases, target areas selected for service programs are large, often encompassing several neighborhoods. In this research we have endeavored to test community analysis techniques that provide unique data about the context of the community.

In our first year, methods addressing the issues of crime, transportation, historical development, land use, available secondary data, and existing social services were investigated. Some examples of innovative techniques include the use of aerial photographs to establish generalized land use patterns. These patterns can be helpful in the design of transportation access systems which link older community residents with the locations of supportive goods and services. Another technique displays patterns of elderly target area concentrations during four census periods. It has been used to better understand the changing patterns of elderly residential concentrations and to forecast future changes. This technique can be used to select locations for services that will also service future populations.

Future investigations will concentrate on informal networks, community influential profiles, and the use of selected community knowledgeable to provide unique community context information. The thrust of each investigation is to develop an abbreviated technique that can be used by AAA's to gain special knowledge about characteristics of their community. This information would be interpreted into planning strategies which increase the effectiveness of services allocated to these neighborhoods.

I would like now to hand the microphone to Mr. Sneed. He will describe the AAA's role in this research and how service planning throughout the AAA network could be positively enhanced by considering some of these ideas.

Thank you very much.

Senator DeCONCINI. Thank you.

Mr. Sneed?

**STATEMENT OF MICHAEL SNEED, LOS ANGELES, CALIF., PLANNING AND PROGRAM DEVELOPMENT, COUNTY OF LOS ANGELES AREA AGENCY ON AGING**

Mr. SNEED. Mr. Chairman, staff of the Senate Special Committee on Aging, I am Michael Sneed. I am here for Mr. Jay J. Glassman, director of planning and program development of the Los Angeles County Area Agency on Aging, who is unable to be present today. I also am a staff member of that agency. I welcome this opportunity to present Mr. Glassman's statement concerning our efforts to better understand the support which older persons receive in their neighborhoods and communities.

Some of the information presented today by Mr. Victor Regnier of the Andrus Gerontology Center has been drawn from the findings of a collaborative research project being conducted by the Los Angeles County Area Agency on Aging and the University of Southern California. This project is supported, in part, from funds made available by the Administration on Aging through title IV-B of the Older Americans Act of 1965, as amended. It is a unique effort, being the only example in the United States of a formal contractual aging research partnership between a local agency and a major university and is, I believe, a breakthrough in effecting a marriage between theory and practice, breaking down the traditional barriers between theory and practice, breaking down the traditional barriers between the ivory tower and the real world. I shall return to this topic in my concluding remarks, but I wish at this point to set the context of area agencies on aging and planning for the committee.

Planning is identified in the Older Americans Act of 1965 as among the most important functions of area agencies. Specifically the local agencies are charged with the responsibility of developing an area plan on aging which details and documents the needs and resources of older persons in the agency's service area and identifies the unmet needs and gaps in services faced by the elderly. Other related requirements are that the area agencies divide their area into geographic subunits and that the plan be operationalized through the formulation of measurable objectives which are to achieve the Holy Grail of this particular program, the comprehensive and coordinated system of social services for the aged.

This is the theory. It calls for a continuous planning process which mercifully has never been operationally defined within the rules and regulations of the Older Americans Act. The notion that this continuous process takes place is a myth, for area agencies are required to do a great deal besides planning. There are 14 functions specified within the act for area agencies, and all require considerable amounts of time. These present a formidable array, which while intimidating to someone such as myself who comes from an area agency with 38 employees, must be overwhelming to an individual from an organizational setting of 5 or fewer employees, as the case with most of the 600 area agencies throughout the Nation. The reality is that area agencies seldom plan, or when they do generally perform the task in a minimal fashion. The reason for this reality, I believe, is the laborious and time-consuming nature of the grants management role. To design administrative safeguards which reduce the possibility of mishandling

of Federal and State funds consumes much time, effort, and energy of area agency staff resources. This use of resources is legitimate to a point, as it is the area agency's duty to design safeguards and tracking systems to insure appropriate use of the dollars, but there is a marginal utility after a certain point where the grants management function pervades and becomes the most dominant activity of the area agency, relegating to secondary roles not only planning, but the advocacy and coordination functions as well.

The major sources of information which area agencies generally utilize for planning derive from seven sources: public hearings, analysis of secondary data, service provider input, analysis of information and referral data, informal sampling of consumers, advisory council input, formal survey of older persons.

These sources are utilized to produce a needs assessment which purports to provide hard data by which planners can determine where are the most critical needs of older persons, what those needs happen to be and, through a demographic profile, who the older persons are that have these needs. The information typically does not reveal how the needs might be met through program intervention, nor whether the needs are ongoing or occasional. The points which I wish to emphasize are that the planning generally does not account for distinct geographic neighborhood infrastructures, informal support systems, land-use patterns, crime statistics, or the historical development of the neighborhoods. Are these factors useful as contrasted with the more customary tools used by the area agencies to gain knowledge and insights into their service areas? I would argue that they are extremely important, considering recent developments, as I now shall discuss.

With the passage and signing into law of the 1978 amendments to the Older Americans Act and the findings of certain research efforts, the planning role of the area agencies takes on added significance. Three examples—the Cleveland CAO study, the emergence of informal networks, and the selection of the vulnerable elderly with functional health disabilities as a target group to receive services—underscore our needs to improve the knowledge base for planning for older persons.

The General Accounting Office study, currently being conducted in Cleveland, Ohio, reveals that 70 percent of all services received by the elderly are provided by the informal support system of family and friends, with the balance of 30 percent of services provided by governmental and private agencies. This is a staggering finding, for when coupled with the finding that 16 to 17 percent of the aged suffer from severe problems in performing activities associated with daily living, it becomes apparent that our planning to this point might be likened to picking up a handful of sand and tossing it in the air with the expectation that the grains will cover the appropriate terrain upon falling to the ground.

This is a rather harsh analogy, but inevitable when one considers the absence of eligibility criteria or lack of structured assessment in most of the programs which receive funds. An alternative to an income eligibility criteria, or means test, lies in the development of programs which by their nature are targeted to the older persons who experience the highest degree of functional disabilities. Such programs as in-home services or home delivered meals are but two examples, but the issue to

be emphasized is that those services must be targeted to those in the greatest jeopardy with the fewest resources. Area agencies cannot continue to attempt to be all things to all people. A selection process must occur, given the finite amount of resources controlled by all area agencies, through direct contact or indirect coordination means.

How, then, to achieve this higher level for planning? I submit that the resources already exist to advance the quality of area agency planning, to improve the decisionmaking on allocation of resources, and to improve the quality of services received by older persons at the neighborhood level. Those resources are being revealed, utilized and evaluated in the joint project between the Los Angeles County area agency and the University of Southern California. Consisting of reports, statistics, and interviews with older people on how to utilize their neighborhoods to gain access to services, the information is not limited to the communities of Pasadena and Glendale, Calif., which are our study areas, but are generic to nearly every community in the United States.

Our project, then, reveals significant policy findings in two areas: First, area agencies on aging must gain working knowledge of the resources of other planning agencies already existing in the community, such as regional transportation agencies, city planning departments, city engineering departments, historical societies, et cetera. Second, a labor pool to perform the neighborhood analyses already exists outside the area agency's organizational setting, which can be tapped so as not to further stretch out the already extended area agency's staff and resources.

Concerning the first finding, area agencies cannot continue to operate in a planning vacuum. It is incontrovertible that there are many planning agencies operating in technical specialized functions. Regional transportation agencies, local planning departments, and city engineering departments are but three of many examples. Missing are guidelines for area agencies to follow in utilizing these nontraditional information sources or in translating the findings into forms which can be plugged into the planning process. The information is there; a process and procedure to identify and synthesize the information is the gap which our project shall fill. A further benefit would be the communication created between other planning agencies outside of the aging network and the area agency.

On the second point of the labor pool to perform the work in utilizing the techniques, it is also incontrovertible that the overwhelming majority of grant applications submitted to the local area agency by local agencies seeking funds include sections on documentation of need for the proposed service. Customarily applicants blow the dust off 1970 census reports, or secure demographic information from the area agency, add in subjective impressions of the community or neighborhood, and then regurgitate this old and not terribly useful data back to the area agency, disaggregated by community or neighborhood districts.

Instead of perpetuating this travesty, why not require the applicant agency to utilize the community analysis techniques which the area agency would provide, together with technical assistance or training to the local applicant agency on how to use the techniques. This approach would insure a methodological consistency so as to first provide

the applicant agency with a much sounder and complete picture of their community than merely the subjective or census data can provide, and second, provide the area agency with the building blocks for any areawide analysis which could be used to help prioritize where the area agency resources should be targeted, both from a geographic and categorical service perspective.

In this scheme, the current confusion and lack of clarity of planning roles within the aging vertical network would be eliminated, with the bottom line being the more effective use of increasingly more precious funds. The Federal planning role would be to sanction the roles of the other units, to compile the data into a cohesive picture, to disseminate the compilation to decisionmakers both within and outside the agency network, and to provide technical assistance on the analysis techniques to the States.

The State planning role would be to provide the general demographic data base utilizing all appropriate State sources of client information, disseminate this information disaggregated by area agency service areas, and to provide technical assistance on utilizing the data base to the area agencies.

The area agency planning role would operationalize the community analysis techniques, provide training and technical assistance, compile the information into areawide profiles, and check the validity of the analyses by the local applicant agencies.

The local applicant agencies' planning role would perform the analyses for the service area they propose to serve, including determination of neighborhood, utilizing criteria and techniques provided by the area agency.

Clearly this role clarification would improve the national, State, and local knowledge base on how neighborhoods work for older people. The cost would not be excessive, as the investment of most of the energies to go into this approach already has been made. A further payoff would be the opportunity to evaluate local requests for funds on the basis of the degree to which the applicant could demonstrate and document a working knowledge of the community, its neighborhoods, and its citizens.

As alluded to earlier, there is a unique nature to the partnership of the collaboration between the Los Angeles County Area Agency on Aging and the University of Southern California. The partnership draws on the strengths of both institutions—the research expertise of the Environmental Studies Lab at the Andrus Gerontology Center—and the aging network and human services planning expertise of the area agency on aging. Both partners serve the function of checkoff with the university providing theoretical and methodological soundness to the effort, and the area agency providing the political and administrative perspectives which insure that the products of the research can be utilized by the aging network agencies in a manner appropriate for implementation. In this way, both partners serve to keep the other on the right track, overcoming the traditional gap between theory and practice.

The resources within both institutions enable a more comprehensive approach than would otherwise be possible, with the area agency real-world situation serving as the laboratory for the university. It is essential for the network agencies to become part of research efforts into

their operation, involvement beyond an advisory capacity. The contractual involvement which is the model our project uses—the area agency receives the Federal research funds and subcontracts most of these to the university, means that the area agency is responsible and obligated to perform the work called for in the approved application, as well as rewarded by receiving funds to cover most of the costs of the research. In this manner, the subject of the experiment, the area agency on aging, receives incentives to participate.

The other winner in this model is the Federal funding agency, which gains assurances that the organizational object of the study, the area agency, has an ongoing role to make certain that the results of the research can be applied. There simply are too few research dollars available in aging programs for there not to be some safeguards that the research will be used.

While our project concludes with the dissemination of our handbook and community analysis techniques to the national aging network, we hope to secure additional funds for the next stage, to utilize our local network to apply the techniques in our grant application process, much as I have outlined earlier this morning. We are very excited with the potential of this project and hope to have the opportunity to report back to the committee on our findings and prospects for widespread utilization of our research.

Senator DeCONCINI. Thank you, Mr. Sneed.

Mr. Ervin.

#### **STATEMENT OF SAM L. ERVIN, DIRECTOR, SENIOR CARE ACTION NETWORK, LONG BEACH, CALIF.**

Mr. ERVIN. Senator DeConcini, staff members of the Special Committee on Aging, it is a pleasure to speak before you today on such an important topic. We do believe that the experience of the Senior Care Action Network (SCN) may have broader significance.

Metropolitan Long Beach, an area of 49.6 square miles, has 72,000 residents who are over 60 years of age. This is over 21 percent of the total population of 350,000. Eight percent of that total population are 75 or over. These percentages are double the national proportions.

Significant displacement and dispersal of the elders concentrated in the downtown sector has begun and is accelerating due to large-scale redevelopment efforts. Inflating housing costs will further jeopardize elders economically.

In short, Long Beach elders face an array of problems similar to those in other urban areas, crime, poverty, lack of access to affordable and adequate health care, housing, transportation, in appropriate institutionalization, and inadequate levels of a number of critical supporting services.

Several years ago, a few active older persons in Long Beach began to urge the development of a coordinating agency in Long Beach to address the well-researched problem of fragmentation in existing health care and social services, particularly on behalf of the isolated, hard-to-reach, and vulnerable elders.

In 1976, the city of Long Beach contracted with USC's Andrus Gerontology Center to undertake a year-long planning effort, culmi-



nating in a three-volume plan for a single entry intake and case coordination program. The system plan was the result of the broadest communitywide deliberation and cooperative effort, including consumer and provider task forces and numerous health and social service organizations.

One year ago the Long Beach Area Geriatric Health Care Council, Inc., was established as the community-based coordinating unit for the service delivery system. SCAN's board of directors is composed of seniors, administrators, and physicians from health care institutions, and directors of social service agencies in Long Beach. An advisory council for each of these groups provides an even broader participation in program and policy development.

SCAN's multilevel approach to coordination affords an accurate process for identifying the vulnerable and frail elders, then linking them with a full range of supports vital to their survival in noninstitutional settings.

SCAN's major responsibilities include case coordination, guidance of an integrated network of private and public facilities, advocacy for the individual and systems advocacy.

The social resource coordinators, who are the front line SCAN staff, evaluate each participant with a comprehensive needs assessment questionnaire and with the participant's authorization carry out a case plan to insure provision of needed services. The assessment instrument is designed to provide clear identification of frail and vulnerable elders. Single-entry intake provides for maximal accessibility to the system. Entrance into the system is further enhanced by a coordinated team which performs focused outreach. SCAN links elders who have medicare and whose incomes are within 125 percent of Federal poverty levels, with geriatric health care providers that do not require either copayments or deductible and accept medicare payment as total reimbursement for all services needed.

Each of the four major private hospitals in Long Beach has committed itself to development of differing geriatric services as part of the system. Three hospitals have agreed to accept SCAN referrals for health screening and assessment, to refer the participant to a private physician if indicated, to provide in-patient care as needed for medicare only, and to refer eligible participants to physicians who will also accept medicare as full payment for those who are eligible. Two of the hospitals have developed home care programs. One has an adult day health care center, and one an alcohol rehabilitation program. All four hospitals have joined in funding SCAN to operate a special medical services transportation route for elders.

SCAN coordinates prevention-oriented health education programs for elders with a number of health and home health care providers.

The Long Beach Medical Society convened a committee to assist in development of the system, and has a representative on the board. Broad-based physician acceptance has greatly assisted the program.

The city supports SCAN financially through CETA, title III of the Older Americans Act and CSA funds, and by providing for thorough coordination of all city-provided and funded services with SCAN, including day centers, the new multipurpose senior center, CSA-funded agencies and neighborhood centers.

SCAN has developed 20 written agreements with agencies designed to promote an integrated pattern of service delivery. These agreements encompass a wide range of available services.

The assessment process focuses both on the problems of the person and the existing or available supports in their environment, friends, relatives, or volunteers. The comprehensive approach used emphasizes meeting the needs of the whole person and providing necessary supports to their independence insofar as possible. SCAN's social resource coordinators work with the family or significant others to supplement or replace agency efforts. However, it should be noted that 60 percent of those assessed thus far live alone and most of these have no one to provide dependable assistance to them.

SCAN has now assessed and linked with services 1,200 elders, whose median age is 76, and 80 percent of whom have incomes under \$5,000.

A task force on volunteers has been established and will be meeting by February 1, 1979, to fully develop a volunteer component for the agency.

In addition to the in-house involvement of volunteers, RSVP in Long Beach has taken an active role in SCAN's development and will become the major volunteer recruitment and placement agency.

RSVP will accept referrals of prospective volunteers from service agencies as part of a plan of socialization and activity to prevent premature institutionalization.

Catholic social services has committed the cooperation of its parish community outreach project to assisting identified vulnerable elders to remain in their own homes and to further develop this component in cooperation with SCAN at the neighborhood level.

One major problem in service delivery has appeared in the form of a shortage of available services. The number of elders being referred for services by SCAN has created an overload for some agencies. As an example, Family Services Association provides homemaker services and has had to hold new referrals to a minimum because of an increase in people needing service being found by SCAN's outreach and assessment program.

We believe it would be very helpful to provide clear guidelines for coordinated community approaches to State and area agencies on aging; to require federally funded agencies serving elders to develop written agreements with an identified local coordinating unit; to promote coordination between health care and social services development in aging by requiring cooperative efforts by federally mandated planning agencies. This includes health and housing. Encourage the development of local community-based coordination projects which mobilize institutional, private business, and neighborhood-based resource and supports on behalf of elders.

We believe that projects such as SCAN in Long Beach, and similar models, may provide helpful examples in this effort.

Thank you.

Senator DECONCINI Thank you very much.

[The prepared statement of Mr. Ervin follows:]

PREPARED STATEMENT OF SAM L. ERVIN

Metropolitan Long Beach, an area of 49.6 square miles south of Los Angeles, may well be a laboratory of the future. About 72,000 of its residents are 60 years of age or over. This is over 21 percent of the total population of 350,000, and

8 percent are 75 or over. These percentages are double the national proportions. Long Beach, which was a retirement mecca as early as 1930, now has the density of elders that other areas should expect to have in the future. More than 22 percent of Long Beach elders lived on incomes below Federal poverty levels even before double digit inflation. It is estimated that an additional 10,000 exist within 100 percent to 125 percent of the poverty level, and 60 percent live alone. The current total population of Long Beach is comprised of 73.9 percent Caucasians, 11.7 percent Hispanics, 9.4 percent black, and 2.9 percent Asian and Pacific Islanders.

At present the majority of elders live in and around the "downtown" area of Long Beach. This section is roughly one-tenth the total area of the city. However, significant displacement and dispersal of the elders concentrated in this downtown sector has begun and is accelerating due to large-scale redevelopment efforts. With large numbers of elders already moving to many other sections of the city, service delivery will become a greater challenge. At the same time, inflating housing costs will further jeopardize Long Beach elders economically.

In short, Long Beach elders face an array of problems similar to those in other urban areas: crime, poverty, lack of access to affordable and adequate health care, housing and transportation, inappropriate institutionalization, and inadequate levels of a number of critical supporting services.

#### DEVELOPMENT OF THE GERIATRIC HEALTH CARE SYSTEM

Several years ago, a few active older persons in Long Beach began to urge the development of a coordinating agency in Long Beach to address the well-researched problem of fragmentation in existing health care and social services, particularly on behalf of the isolated, hard-to-reach and vulnerable elders.

In 1976, the city of Long Beach contracted with USC's Andrus Gerontology Center to undertake a year-long intensive effort of research, planning, and community development culminating in a three-volume plan for a single entry intake and case coordination program. The system plan was the result of the broadest communitywide deliberation and cooperative effort, including consumer and provider task forces, the city of Long Beach, the Area Agency on Aging of Los Angeles County, the Ethel Percy Andrus Gerontology Center of the University of Southern California, St. Mary Medical Center, Long Beach Memorial Hospital, Pacific Hospital, Community Hospital of Long Beach and numerous other health and social service organizations.

One year ago the Long Beach Area Geriatric Health Care Council, Inc., was established as the community-based coordinating unit for the service delivery system and as the broker-advocate for individual elders in need of services. SCAN's board of directors is composed of 12 seniors, 12 administrators and physicians from health care institutions, and 12 directors of social service agencies. An advisory council for each of these groups provides even broader participation in program and policy development.

#### THE SCAN SYSTEM

For the individual elder, SCAN acts as coordinator and advocate for a range of services, based on an in-depth personalized needs assessment. At the same time, SCAN is the focal point for a system of services, organizations, and senior groups. SCAN's multilevel approach to coordination affords an accurate process for identifying the vulnerable and frail elders, and then linking them with a full range of supports vital to their survival in noninstitutional settings.

SCAN's major responsibilities include case coordination, guidance of an integrated network of private and public facilities, advocacy for the individual and systems advocacy.

The social resource coordinators, who are the front line SCAN staff, evaluate each participant with a comprehensive needs assessment questionnaire and with the participant's authorization carry out a case plan to insure provision of needed services. The assessment instrument is designed to provide clear identification of frail and vulnerable elders. Single entry intake provides for maximal accessibility to the system. Entrance into the system is further enhanced by a coordinated team which performs focused outreach. The resource pool includes every social service agency that can be of help to elders and the four major hospitals in the city of Long Beach. This unique alliance of public and private facilities maximizes SCAN's impact in the community. For example, SCAN links elders who have medicare and whose incomes are within 25 percent of Federal poverty

levels with geriatric health care providers, that do not require either copayments or deductible and accept medicare payment as total reimbursement for all services needed.

#### SCAN'S MEDICAL COMPONENT

Each of the four major private hospitals in Long Beach has committed itself to development of differing geriatric services as part of the system. Three hospitals have agreed to accept SCAN referrals for health screening and assessment. Two of these will refer the participant to a private physician if indicated, and all three will provide in-patient care as needed for medicare only if the participant is eligible under SCAN's criteria. Two of the hospitals will also attempt to refer eligible participants to physicians who will also accept medicare as full payment.

SCAN is a "managing partner" in St. Mary Medical Center's screening clinic, providing for the social assessment and case management, while St. Mary's provides a physician, nurse, and other personnel for the health assessment and physician referrals. Once an individual is referred to St. Mary's, a complete health and social service assessment will be done and appropriate treatment initiated. St. Mary's also is developing a special meals program and other geriatric services.

Two of the hospitals have developed home care programs, one has an adult day health center and one an alcohol rehabilitation program. All four hospitals have joined in funding SCAN to operate a special medical services route for elders. SCAN coordinates prevention oriented health education programs for elders with a number of health and home health care providers.

The new Long Beach Senior Center is a major development in the system, providing full health screening and a dental clinic through the city's department of public health and other departments and contributors.

SCAN is able to link participants with the full range of medical and auxiliary services. SCAN has specific written agreements with St. Mary Medical Center, which also provides some of SCAN's funding, Long Beach Community Hospital, and two home health providers.

The Long Beach Medical Society convened a committee to assist in development of the system, and has a representative on the board. Broad-based physician acceptance has greatly assisted the program.

#### SCAN AND CITY OF LONG BEACH

The city supports SCAN financially through CETA, title III of the Older American's Act and CSA funds, by providing for thorough coordination of all city provided and funded services with SCAN, including day centers, the new senior center, CSA funded agencies, neighborhood centers, the departments of human resources, recreation and public health.

#### SCAN'S SOCIAL SERVICE COORDINATORS

SCAN has developed above 20 written agreements with agencies designed to promote an integrated pattern of service delivery. These agreements encompass the following services: Outreach to isolated, vulnerable elders; information and referral; specialized transportation programs; homemaker/chore services; congregate meals and meals on wheels; adult day care, both social and health oriented; telephone reassurance; employment services; housecleaning donated by private business; legal assistance; crime prevention and escort program; volunteer development and placement; and a range of other services.

#### CASE COORDINATION

The assessment process focuses both on the problems of the person and the existing or available supports in their environment—friends, relatives, or volunteers. The comprehensive approach used emphasizes meeting the needs of the "whole" person and providing necessary supports to their independence insofar as possible. SCAN's social resource coordinators work with the family or significant others to supplement or replace agency supports. However, it should be noted that 60 percent of those assessed thus far live alone, and most of these have no one to provide dependable assistance.

SCAN has now assessed and linked with services 1,200 elders, whose median age is 76, and 80 percent of whom have incomes under \$5,000.

## VOLUNTEER COMPONENT BEING DEVELOPED

A task force on volunteers has been established and will be meeting by February 1, 1979, to fully develop a volunteer component for the agency.

In addition to the in-house involvement of volunteers, RSVP in Long Beach has taken an active role in SCAN's development and will become the major volunteer recruitment and placement agency.

RSVP will not only recruit and coordinate volunteers over 60, but will accept referrals of prospective volunteers from service agencies as part of a plan of socialization and activity to prevent premature institutionalization.

Catholic Social Services has committed the cooperation of its parish outreach project to assisting identified vulnerable elders to remain in their own homes, and to further develop this component in cooperation with SCAN at the neighborhood level.

## EMERGING CONCERN

As SCAN has developed its coordinated network of health and social services, one major problem in service delivery has appeared in the form of a shortage of available services. Even though Long Beach has an unusual array of services, the number of elders in need being referred to services by SCAN has created an overload for some agencies. As an example, Family Services Association of Long Beach provides homemaker services and has had to hold new referrals to a minimum because of an increase in people needing service being found by SCAN's outreach and assessment program. Family services as a result of the increased demand for services has begun a homemaker registry for those able to pay and thus is seeking to expand its capacity.

## RECOMMENDATIONS

(1) Strengthen cooperation between aging service programs at the local level by:

(a) Providing clear guidelines for coordinated community approach to area agencies on aging; and

(b) Requiring all federally funded agencies serving elders to develop written agreements with an identified local coordinating unit.

(2) Promote coordination between health care and social services development in aging by requiring cooperative efforts by federally mandated planning agencies.

(3) Encourage the development of local, community-based case coordination projects which mobilize institutional, private business, and neighborhood-based resources and supports on behalf of elders.

Projects such as SCAN in Long Beach and similar models may provide helpful examples in this effort.

Senator DECONCINI. Mr. Corwin, do you have any questions?

Mr. CORWIN. Ms. Levy, I was wondering what effect you are seeing now, and you expect to see in the future, on services for the elderly in the State of California as a result of the passage of proposition 13?

Ms. LEVY. Yes. We are collecting as much material in regards to the impact of proposition 13 as we can. Two of the major areas where we have already seen a tremendous change are the combined services under adult education where many classes have just been totally eliminated because of the local support that was there to do that. The other is in the area of parks and recreation where formerly park and recreation areas within a community provided a center, space, staff, a great deal. There are places now where they are charging as high as \$600 a month rent for that same facility that used to be nothing.

We have done one study already, a survey, really, and we are doing another one on the impact. We will be happy to provide the committee with that material as we gather more.

Mr. CORWIN. We would like to receive that as soon as it is available.

Mr. SNEED, if this program that you are developing under the AOA project, if that works out as you expect it to, will any changes be

required under Federal aging legislation to put it fully into implementation?

Mr. SNEED. Changes would be minimal as the legislation stands now, and the design would make the legislation that much more effective and be a better use of the Federal funds already being allocated throughout the Nation.

Mr. LEWIS. Mr. Regnier, I have a question for you.

How can we make better use of the information that your project will be coming forth with?

Mr. REGNIER. One of the problems with planning on a local neighborhood scale is we really don't have much of a geographical feeling about how the neighborhood coalesces in the minds of older people. Also, we have a very disjointed idea of how a neighborhood is conceptualized by the various actors that are providing services. If we have a fundamental idea of how that neighborhood is defined by a number of people, in this case older people, then we can start to use that as a building block. We can locate housing there, we can detail transportation systems that link the residential locations of older people with supportive retail services. We can start to take advantage of some of the planning and land-use strategies that have traditionally been used to plan for intercity neighborhoods. I think we can have some impacts that go far beyond the funding of title III and aging related programs.

Mr. LEWIS. Mr. Sneed, can you elaborate on why the regulation makes good planning and real planning information more important?

Mr. SNEED. We are now called upon to deal with the most vulnerable elderly threatened by inappropriate institutionalization in long-term care facilities. We are going to have to do so with increasingly fewer resources and must become more efficient in how we do it. The informal support system of families and friends of older persons must provide support in a more effective way, with care taken that Government interventions do not destroy the informal support system. There is such a program where we make payments to families to provide in-home supports to aging parents. The fact is that up to the present time the system has denied those payments and has caused the parent to be removed from the home and put into the more expensive institutional setting. These are just some of the reasons why it is going to be more important that we have a more rational and effective approach.

Mr. LEWIS. Mr. Ervin, I would like to commend the city of Long Beach for SCAN. Here we have an example of a mayor and the rest of the city involved in tapping city and local resources without seeking Federal funds and Federal involvement in a project. Can your project be implemented across the country?

Mr. ERVIN. We believe there are elements of the SCAN design that could be implemented across the country. Certain other communities could probably duplicate it very closely.

One of the key elements that we have pulled together in Long Beach that is unusual is the participation of the private nonprofit hospitals. One is even providing up to \$100,000 a year in funding toward the success of this effort. We believe that is one of the things that people should focus on in replicating it, get the support of and community involvement of hospitals.

Mr. REGNIER. I just want to make one clarifying comment with regard to the replicability of the Long Beach project. The U.S. Conference of Mayors, and also the National Association of County Governments, has used this as a model in suggesting to other county units and other cities, processes that they could follow in organizing the private sector.

Mr. SNEED. We do regard the SCAN project in Long Beach as a model not only nationally, but certainly in the local context, inasmuch as it does what ideally should be done in every local community, and moves the decisionmaking process on institutional placements to the neighborhood or local community. We provide Long Beach with the policy guidelines and allocate the funds based on their demonstration of overall need. They make the decisions locally about the different kinds of services for which the funds will be used. That is where the decision should be made.

Senator DECONCINI. Thank you very much. We appreciate your fine testimony.

We thank the city of Oakland also for allowing us to hold our hearing here.

Thank you for your attendance and the committee is now adjourned.

[Whereupon, at 2:05 p.m., the hearing was adjourned.]

# APPENDIXES

## Appendix 1

### LETTERS AND STATEMENTS FROM INDIVIDUALS AND ORGANIZATIONS

#### ITEM 1. STATEMENT OF EDDIE J. JAMES, DIRECTOR, ALAMEDA COUNTY DEPARTMENT ON AGING, OAKLAND, CALIF.

I heard the testimony that the witnesses presented at the hearing your committee held in Oakland, Calif., December 4, 1978. For me, the message of those who trooped to the stand and presented their statements is loud and clear: "We are experiencing here in Alameda County, in particular, and in California in general, a massive, accelerating, and calculated destruction of the neighborhoods of our older cities. The elderly along with other poor people, are being affected most dramatically."

The speakers at the hearing clearly expressed the reasons for this massive neighborhood destruction: The poverty level that most older people are reduced to when they retire, compounded by the terrible inflation we are now experiencing; the lack of affordable housing—a lack more serious here in California than other parts of the Nation; the lack of Federal commitment to adequate housing for the low income and elderly—witnessed by the fact that less than half the national housing goal, set in 1968, has been reached; the condominium conversion fever; the naked greed of apartment house owners; urban renewal programs that disregard the housing needs of the displaced; and the lack of adequate funding for supportive social services. There is, however, another very important reason why our neighborhoods are being destroyed which was not discussed; the continuing high unemployment rate. At present, the unemployment rate in Oakland is running around 9.9 percent, in Berkeley 10.4 percent, and 6.7 percent for the rest of the county. At the same time the average for the entire State is around 6 percent. Who are the unemployed, not to mention the underemployed? Mainly minorities, especially minority youth, and older workers 55 and over. Where are many older people concentrated in this country? In neighborhoods where their neighbors are teenage school dropouts, the unemployed and drug addicts. In a word, individuals unable to maintain themselves, let alone their homes and neighborhoods. Desperate people willing to rob and steal from the vulnerable elderly. Unemployment and its social consequences tend to be overlooked when the needs of the elderly are addressed.

In a word, what emerges is a picture of the systematic destruction of older neighborhoods where older people tend to live. The irony of the situation lies in the fact that this pervasive, accelerating destruction has reached crises proportion at a time when the Federal Government is suggesting that the way this country will be able to meet the needs of a growing elderly population is to develop community (read neighborhood) based comprehensive system of services, that call upon local, regional, and State resources to complement Federal resources.

In 20 to 30 years the elderly population in this country will be very large and significant. The "older" elderly, those people 70-75 years of age and over, who tend to become frail and increasingly dependent will grow at a faster rate than the elderly population in general. Under our present system of priorities and allocation of national resources, there will not be enough money to begin to meet even the most minimum needs of those people. The thinking seems to be that we must now begin to develop a service system for the elderly that draws on the resources, voluntary as well as paid, of the local communities. The service-delivery system must be community based, or it will not be.



So it appears, as we look down the years a piece, that if we wish to meet the human needs of older people in the future, we must move to stabilize and revitalize our neighborhoods. I would like to mention some steps that should be taken:

(1) HUD's budget for fiscal 1980 must include enough funding for at least 400,000 units of section 8 and public housing, an overall housing budget that will produce 600,000 units of new and rehabilitated housing for lower income people. This should include the 202 program and congregate housing under it.

(2) Immediate and comprehensive relief to renters. Legislation must be passed that will control the amount of rent older people pay.

(3) The passage of a Uniform Landlord/Tenant Act which gives adequate relief and protection to the renter.

(4) The channeling of more Federal and State housing money toward funding a wide range of in-home supportive service programs. The funding that now exists under title XX of the Social Security Act and under the Older Americans Act is insufficient. Such programs could be: homemaker-home health, chore-service, minor home repair and maintenance, telephone reassurance, housing counseling/advocacy, etc. The development and coordination of neighborhood outreach and volunteer service programs should be encouraged and funded.

(5) The Social Security Act should be changed allowing for the payment of a wide range of in-home supportive services with these dollars.

(6) Funds must be made available to develop innovative housing alternatives, such as share-a-home programs, "granny flats" (small units attached to a family dwelling that allow an older relative to live next to the family). This will demand changes in local ordinances, building codes as well as in Federal and State legislation (e.g., definition of a family for SSI, or redefining family support).

(7) The channeling of greater amounts of State funds into the rehabilitation of senior residential hotels and the changing of Federal rules and regulations allowing Federal money to be spent to rehabilitate these integral parts of inner city neighborhoods.

To sum up: At a time when we are beginning to realize that perhaps the only way to assure a future generation of older people their right to live in dignity, safety and independence is to develop a community based network of human services that draws in local, State, and Federal resources, we are also witnessing the accelerated and systematic destruction of the very communities we need. Now is the time to implement an aging and housing policy that will reach the goal stated in the previous sentence. We already know the framework for such a policy. What is lacking is the will to implement it.

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ITEM 2. LETTER FROM DEANNA LEA, DIRECTOR, AREA 4 AGENCY ON AGING, SACRAMENTO, CALIF., TO SENATOR DENNIS DECONCINI, DATED DECEMBER 18, 1978

DEAR SENATOR DECONCINI: I am writing in response to your call for information regarding the hearing on "Older Americans in the Nation's Neighborhoods." As I am anticipating you will hear from throughout the Nation, two major concerns of the elderly in our seven-county planning and service area which relate directly to neighborhoods are inadequacy of low-cost housing and fear of crime.

We also find a gap in a number of seemingly small personalized services, critical to providing support necessary to sustain frail older persons in their own homes, and seemingly well suited to potential neighborhood organization.

Finally, older persons might well serve as stabilizing forces in neighborhoods, the nuclei for the development of neighborhood support systems, and key support personnel themselves for other members of the neighborhood.

While the following possibilities which we raise are not new, we feel they are worth repeating and worth supporting within a neighborhood development program:

(1) Neighborhood "grandparents," reimbursed to be with "latchkey" children returning from school to homes in which parent(s) are working.

(2) Neighborhood meals cooperatives to provide companionship not only to older persons whose diets may be suffering because they are eating alone, but to other neighbors as well (thereby strengthening neighborhood cohesiveness)..

(3) Security watches involving older persons and youth to not only implement neighborhood watches, but to check on homebound elderly on a routine basis.

(4) Youth escort services to provide security to older persons on the street.

(5) Older persons (because they have time and skills) reimbursed to serve as neighborhood information sources (tied in with I. & R. centers), to organize skills exchanges, or neighborhood based voluntary action centers; and to facilitate a range of personalized services such as those listed above.

(6) More extensive use of schools (already constructed on a neighborhood basis) as neighborhood service centers.

(7) Redesign of traffic control mechanisms (e.g., lights) to enhance the safe movement of older persons in the neighborhood.

I do hope these brief comments will be of assistance to you and your committee. We recognize the need to revitalize neighborhoods and hope your efforts will have positive impact on strengthening our neighborhoods.

Sincerely,

DEANNA LEA.

ITEM 3. LETTER FROM BURNS CADWALADER, AIA, THE RADCLIFF ARCHITECTS, OAKLAND, CALIF., TO SENATOR DENNIS DECONCINI, DATED DECEMBER 27, 1978

DEAR SENATOR DECONCINI: We attended your public hearing on "Older Americans in the Nation's Neighborhoods," with great interest and would like to add our comments to the public record of these hearings, based on our experience with HUD's section 8 rehabilitation program.

We are currently completing construction documents for rehabilitation of the Hotel Oakland under the program (a six-story masonry building dating back to 1911) and converting it to 300 units of elderly housing. Tenants for this project will probably come from all over the city. The building will be on the National Register of Historic Places, with the exterior and main floor public spaces historically restored. As principal-in-charge of this project, I personally steered it through HUD processing as well as review by city and State agencies.

(1) The HUD checking/review process is disproportionately long. It took HUD as long to review the drawings as it did for us to prepare them (including design).

(2) HUD staff are generally helpful, cooperative, and knowledgeable.

(3) The Hotel Oakland project is in a slightly deteriorated downtown area, particularly during night-time hours. HUD is requiring street/landscaping improvements in nine-block area surrounding the project. The developer has no control over the improvements as they are on public, city property. Fortunately, the city of Oakland now has limited funds for this work. However, it is grossly inappropriate for a project to be delayed due to requirements beyond which the developer is capable of providing by himself.

(4) Inflated construction costs caused the elimination or reduction of many common-use spaces that were to be used for recreational and social activities. If social service programs are to be included in national housing law (as evidenced by the recently passed \$80 million congregate housing services bill). HUD should make additional funds available to provide physical opportunities for these activities.

(5) Too many one-bedroom units are being built for couples. Two persons living together in close quarters should always have two bedrooms or a small den to provide sufficient private space.

(6) Activities for the elderly, as for most people, should have purpose. Efforts should be made in the section 8 program to encourage, or even require, some hours of compensatory work appropriate to an individual's physical capabilities, (i.e., maintenance, teaching, child-care, etc.). Such a program would lend a much-needed sense of usefulness to the elderly, and could perhaps serve as a contribution to their rent subsidy, as well as a benefit to the neighboring community. This suggestion is certainly in keeping with the concept of the congregate housing services bill.

We hope these comments will aid the committee in evaluating the HUD section 8 program and result in improved living conditions for older Americans. Would you please send us the committee's memorandum? Thank you.

Yours very truly,

BURNS CADWALADER.

ITEM 4. LETTER AND ATTACHMENTS FROM TITO A. CORTEZ, COUNCIL ON AGING OF SANTA CLARA COUNTY, INC., SAN JOSE, CALIF., TO PHILIP S. CORWIN, STAFF MEMBER, SENATE SPECIAL COMMITTEE ON AGING, DATED DECEMBER 18, 1978

DEAR MR. CORWIN: Thank you for giving us the opportunity to submit a written statement for the U.S. Senate Special Committee on Aging's hearing on "Older Americans in the Nation's Neighborhoods."

The problems confronting the elderly in Santa Clara County are assumably similar to those in other places, where perhaps the acuteness of the problems dictate the major differences. Situations and circumstances account for the dissimilarities and commonalities. In light of these—housing, transportation, income, health, and other basic necessities to sustain everyday existence face the elderly in this county.

As a good example, in this county housing remains as the number one priority issue. Housing in relation to affordability to one's financial status and decency according to appropriations of life's situation. The seniors are faced with the high cost of maintaining a home, if they own one, and on the other hand of finding an affordable one while competing with the rest of the population for the present low vacancy rates that are very expensive.

Attached, please find two presentations, one made before the California Commission on Aging while the other was submitted to the California Legislature—Assembly Special Subcommittee on Aging. Another attachment is what we popularly referred to as the Bill of Rights of Senior Citizens in Santa Clara County. The latter document specifies the role of Santa Clara County in serving the elderly and its goals and policies regarding older persons. Perhaps other governments will be well advised to follow the actions taken by our county board of supervisors.

The first two papers concentrated very heavily on housing, while the other is an accumulation of efforts put forth by senior citizens, service providers, the Area agency on aging, County of Santa Clara, and others to finally draw up the long-awaited document that is very much needed for the older persons in this county.

May you be blessed with a happy holiday.

Sidadayao,

TITO A. CORTEZ.

Attachments.

STATEMENT OF TITO A. CORTEZ TO THE CALIFORNIA COMMISSION ON AGING, SAN JOSE, CALIF., AUGUST 3, 1978

Good afternoon—or as we say in Filipino Magandang Hapong Po Sa IyoNg Lahat—

Commissioners, ladies, and gentlemen, first of all, let me thank you for having this month's meeting in Santa Clara County and for selecting housing as the issue to be discussed today. My name is Tito A. Cortez. I'm with the Council on Aging of Santa Clara County, Inc., the local area agency on aging—P.S.A. 10.

Let me start with a brief overview of the housing problem. Nationally in 1972 there were approximately 30 percent or 6 million seniors who were living in approximately 2.8 million standard apartments. Thirty percent of them have no inside flush toilets, 40 percent have no bath or shower with hot water, while 54 percent have minimal heat in winter.

Approximately one-third of the elderly budget is spent to meet housing expenses. Those who own their homes have difficulty in maintaining them. The cost of repair and services and high utility has ascended higher than the inflationary rates. These homeowners comprised approximately 60 to 70 percent of the elderly population. To the remaining 30 to 40 percent, steadily rising rents account for more than older persons can afford. In addition, there is also the ever-presence of not wanting to accept older persons as a tenant because of their age or some other artificial or natural matter.

Many are forced to give up their homes due to compounding reasons. Once they moved, they find that there are insufficient alternatives to their former living arrangements, limited availability of low-income housing and those that were available were either too expensive or psychologically and physically unsuitable. If a move is initiated, far too often, places are unavailable at affordable prices.

On the other hand, those who remain find that their neighborhood is no longer familiar.

There are approximately 125,000 persons 60 years or older in Santa Clara County. Our projection indicated that approximately 41% or 50,000 older persons are in need of having assistance in one form or another. For the next 3 years, it

has been estimated that approximately 13,000-14,000 older persons will be needing housing assistance. This figure is commensurate with those that were submitted by the nonentitlement and entitlement cities—Housing Assistance Plan—Community Development Block-Grant Program, to the Department of Housing and Urban Development (a 3 year housing needs projection).

What is available at the present time to older persons in this county through the Federal Government? Through the Federal level funneling down to the local housing authority, section 8 existing housing is available. Through one change of this section from the previous section 23, the seniors, once certificated, will have to find sympathetic landlords who would accept section 8 subsidy.

This is why it is called "finders-keepers" because the tenants have to find a prospective landlord who is willing to accept a triangular arrangement. This program is specifically designed to meet the low income families' needs, so there is a basic assumption that seniors are as mobile as the rest of the population.

Several factors that warrant consideration if section 8 is to be fruitful. First, there would be a high vacancy rate of all the apartment complexes in the county, thus necessitating the willingness of landlords to accept section 8 subsidy. Realistically, however, the vacancy rate is very low and the ones that are vacant are the ones that oftentimes do not provide a good environment because of the aesthetic outlook that they provide.

Second, that the fair market value that is allowable should be competitive to the going, rental rates. Far too often, the fair market value does not allow incentive to be provided for prospective landlords to accept subsidies.

Third, the mentality of the landlord should not be overlooked. There is the growing fear of losing the total control of the facility, once a subsidy is involved.

Fourth, there is insufficient amount of allocation relegated to section 8 subsidies. This accounts for the long waiting list (locally 3 years) for section 8 certificated persons.

Section 202, section 8 new construction and others account for the development of housing units for older persons. HUD previously allocated 150 units for section 202—direct loan for elderly and handicapped to the city of San Jose. Additionally, HUD has recently advertised for 75 units of section 8 new construction for older persons for the counties of Santa Clara and San Mateo with the exception of the city of San Jose. There are other activities presently undertaken by HUD and to take them collectively it is very doubtful if such activities are beginning to address the problem.

At the local level, cities such as San Jose can participate through the community development block grant. Voted in 1974, the Housing and Community Development Act objectives are:

- The elimination and prevention of slums and blight;
- The reversal of past patterns of economic and racial housing segregation;
- Conservation of the existing housing stock;
- Improvement of community services;
- Elimination of conditions detrimental to health, safety and the public welfare.

The basic purpose of this law is to provide adequate housing, a suitable living environment and expanded economic opportunities for persons of low- and moderate-income.

Its applicability of providing more supply of senior housing is either very limited in its scope or simply not addressing the housing needs of the older persons.

Under California law, all cities and counties must develop and maintain a general plan—a long-term community development scheme. This plan includes nine mandatory elements, one of which is housing. This housing portion must contain a statement of the housing needs of all economic segments of the community and a strategy to meet those needs.

While the local cities are not required to provide the needed housing, they must make a "good faith effort" to facilitate the development of appropriate housing. While they are encouraged to pursue available Federal and State housing agencies for financial assistance, they are hindered by the mandate of article 34 of the State constitution. California is one of the few States that requires article 34 to be approved before the voters if a local governmental unit wishes to sponsor and develop low cost housing. In this country, the cities of Gilroy and Campbell have already passed an elderly housing referenda while the cities of San Jose and Santa Clara are in the process of presenting housing referenda to the voters which will be voted on in the general election.

Because of article 34, there is no means to determine how many local municipalities would have sponsored low-cost housing had it not existed in the State constitution. The last attempt to change article 34 failed in 1974. That was ACA 40. There will be another attempt to make changes in article 34. You might look into ACA 47 which hopefully will be before the voters in the November general election. The purpose of ACA 47 would be to reverse the burden of proof, while article 34 requires that prior to a public body sponsoring a low-cost housing, the voters within that jurisdiction must approve of it. With the passage of ACA 47, those who would be against the development and sponsorship of local government to develop low-cost housing will have to collect sufficient signatures to be placed before the voters of the general election. It would be very appropriate if the Commission on Aging would look into this matter and subsequently support it.

There are others who also claimed that they are providing housing services to seniors. They will not be covered here. In looking at the problem and with the accumulation of all the housing helpers, building housing units or not, there seems to be insufficient supply to meet the housing needs of older persons in this county.

Housing is a problem to seniors everywhere. Some perhaps are more acute than others. While the trend seems to be building more units to accommodate the demand, little is being done about exploring the viability of alternative solutions, that is to look at the existing housing and utilize them as a viable alternative solution.

#### SOME SUGGESTIONS

The older persons cannot wait. Time is a precious commodity that does not need to be abused. We are all aware that there is insufficient amount of housing to meet the needs. Until the income maintenance problem of the older person is solved, sufficient housing subsidies should be made readily available. A person should not be spending more than 25 percent of his/her income for housing and that this expense should be adjusted to local socioeconomic needs. There should be some form of rent control, otherwise rent increases are likely to continue at the discretion of management/owners. We are all aware of the effects of proposition 13 on renters.

A direct provision of money payment or rent subsidies or housing subsidies would be helpful. We should look into subsidizing children of aging parents to build additional rooms in their present homes or other renovation to accommodate their parents—special payments of these kinds of families would be very helpful.

We also need to look at the possibility of direct rent subsidy to older persons who want to share homes with other seniors who own their homes. This needs to be explored further.

Local housing authority should have the opportunity of acquiring existing housing. This would mean an expansion of HUD acquisition programs.

At least 10 percent of new, multifamily housing units should have older persons while low-income housing should earmark at least 20 percent for older persons.

The interrelationship of services with housing projects is another matter that deserves closer attention. Just like any other population group the older persons need a network of services and they need to participate in daily life. New development should have services built directly into the structure. Congress did not authorize funds for services, but it should in order that HUD doesn't have to depend upon States and local provisions for supportive social services which are often unavailable.

We should not overlook the capacity and diversity of private enterprise to assist in providing additional resources to meet the housing problems. Maintaining flexibility and other types of financial incentive should be explored to encourage the participants of private industry in a deeper involvement aside from just building units. There must be some contribution that private industry could provide that we really haven't explored.

While all these are being looked at, we shouldn't exclude the possibility of sharing homes. Here in Santa Clara County we are fortunate enough to have started on alternative solutions to the housing problems. Although it is instituted on a small scale Project Match has proven to be a viable alternative.

The following is a brief description of Project Match (matching aging to co-ordinal housing) and it was not included in the original presentation.

Project Match attempts to provide another alternative solution to the housing problems. "Low-cost housing is no longer a reality and the term doesn't properly describe the existing problem." The shortage of housing supply and the "lack of a range of housing types from which to choose" have resulted in some persons

being "overhoused" while others may be "under housed." The elderly population, which is more often in a worse condition because they are existing on a fixed income budget, often find it very difficult to maintain their homes. They also have a mental attachment to their homes and are often in a predicament to search for additional resources to meet this demand.

Conversely, there are those who would like to share rooming or housing that is available. This is the purpose of the project, to find persons wanting to share available rooms to be matched to those seeking rooms. By providing this service, it is anticipated that some relief could be provided to the housing problem by effectively utilizing the occupancy of existing housing.

In addition to matching, there are also other benefits. By matching, a better social atmosphere is provided. Individuals who lived alone oftentimes experienced that the surrounding atmosphere is one of solitude. By matching compatible people together in sharing available homes, loneliness and solitude can be alleviated. Thus it can be seen as a solution to two problems.

This project officially received funding from CETA (for staff) in June 1977. The first phase was to establish a foundation for the project and to initiate making matches. This phase lasted for 10 months. By April 1978, the project was given additional funding for 6 months and expanded its activities. In addition to making matches the Project Phase II was to explore the possibility and feasibility of alternative community living arrangements and to provide workshops so that our first phase participants can tell us what can be done to improve Project Match. This phase ended on September 30, 1978. Our current program has only one addition to it from the previous ones. Phase III will continue the other activities and also will implement communal living arrangements.

As of the end of November 1978, approximately 200 matches were made. This comprised 400 people—half of whom are keeping their homes while the other half have found a home. We have at present three houses in which four or more senior citizens are residing.

This is basically Project Match. This project is sponsored by the Council on Aging of Santa Clara County, Inc.

#### STATEMENT OF TITO A. CORTEZ TO THE CALIFORNIA LEGISLATURE ASSEMBLY SPECIAL SUBCOMMITTEE ON AGING, SACRAMENTO, CALIF., OCTOBER 1978

##### APARTMENT CONVERSION TO CONDOMINIUM: ITS EFFECT ON THE ELDERLY RENTERS

###### *Introduction*

"The housing problem is immense and growing" perhaps best summarizes the nature and scope of the housing situation in Santa Clara County. The Housing Task Force of Santa Clara County, which undertook a study of the area's housing situation further reinforced what other studies have concluded, that there is a dramatic increase in the cost of shelter relative to the individual family's budget. With the increase of shelter cost came the reduction of families ability to purchase a home.

It has been estimated that nearly two-thirds of the county's working population cannot afford to purchase a home at today's prices. The latest median price of a previously occupied home for sale is \$82,000. As more and more young families try to own a home, more of them are finding out that this is no longer possible. Those who can barely make the monthly mortgage payments are more likely from families with two-income households. These perhaps are the products of the population explosion years. As they now enter the mainstream of society and for the first time get involved in establishing and starting a family life, they are facing the reality of the housing situation. To fulfill their dreams of owning a home, either both husband and wife have to work full time and somehow save some money for the down payment, and in the meantime must settle for the alternative arrangement, that is to compete in the rental market.

While they are searching for shelter accommodations, others are also doing the same. With the large demand for rental units, the monthly rental payment will follow in a consistent ascending order. All of these activities would eventually lead to a low vacancy rate of rental shelter.

###### *Affordable prices—elderly renters*

While the low vacancy rates in rental accommodation dictates the housing (rental) situation in the county, and the monthly rental rates follow in ascending order, the elderly renters are faced with the dilemma of locating a decent shelter at affordable prices. Finding a decent place at affordable prices confronts

the daily existence of the seniors and this endeavor has become increasingly difficult to say the least.

While existing on a fixed income, the elderly renter must compete with renters of all ages who are presumably more mobile, assumably have a higher monthly gross income and can be more selective in residential location. In San Jose, Calif., it has been estimated that the monthly median apartment rental for a one-bedroom accommodation is \$204. For an elderly who subsists on SSI, he/she will have to allocate 67 percent of his/her monthly gross income for housing. Coupled with the estimated 20 percent for food and the remaining 13 percent will be spent for transportation, clothing, health care, personal care, and others that are necessary to sustain everyday existence.

As was mentioned previously, the problem confronting the elderly renter is finding a decent and affordable home. Decent according to appropriations of life's situation and affordable in relation to ability to pay. The latter doesn't imply that elderly on SSI should be budgeting 65 percent of his/her gross monthly income for housing alone.

This brings us to the crucial question, "will apartment-to-condominium conversion provide another solution to the housing problems of the elderly renters or will it cause additional ones?"

#### *Apartment to condominiums: the effect on the elderly renters*

While the need for more affordable housing is well-known and well-documented, conversion from apartment to condominium to meet this need is not. In relation to the overall housing picture, any conversion would create a reduction of the present available rental units. This, of course, is predicated that condominiums would be sold in the real estate market, thus increasing the number of homes available for sale. This reduction will not only create a serious hardship on elderly renters, but also others who rely on apartment dwellings as their means of living accommodation.

Furthermore, additional expenses will be incurred during the conversion process. These expenses can be seen as an added cost to the price of ownership, or if the condominium is for rent, an added expenditure in the monthly rental payments. In either case, the elderly renters who presently spend a sizable portion of his/her monthly income for housing accommodation will have to seek another place for shelter. Once they moved, however, they will find that there are insufficient alternatives to their former living arrangements, very limited availability of affordable housing and those that are available are either too expensive or psychologically and physically unsuitable.

While conversion increases the homes available for the real estate market and at the same time reduces available rental units, this process seems to compound the housing problem of the elderly renters who need affordable housing. While this can be seen as a solution to some, it can also be a problem for others.

To pursue this situation further, let us assume that a former occupant cannot afford the ownership or rental of the condominium. Where would he go to seek housing accommodation and who will be responsible for assisting him in this relocation endeavor?

What will happen to the elderly renter who is now residing in the premise prior to conversion, and who relies on subsidy rental payments? Should the owner decide to rent, would the above persons be guaranteed subsidy rental assistance thus deterring the propensity for them to move?

In reference to owning the condominium, can the elderly afford it? To very few perhaps, but to those who subsist on fixed income the answer is very explicit. Because ownership normally requires a large sum for down payment and mortgage payment, it is appropriate that a mechanism in the form of cooperative arrangement be structured so that opportunities will be provided to the elderly renters to become owners. The cost of the monthly mortgage payment should be no more than 25 percent of their monthly gross income. Perhaps a subsidy can be seen as a necessary ingredient for this type of relationship.

The aforementioned are just some of the many compelling questions and areas that should be addressed prior to conversion of apartment into condominium. Furthermore, these should focus on those who are immediately affected, namely the elderly. Neglecting to address some of these areas will bring consequences that will not be beneficial, and perhaps will create a series of events that will result in compounding the housing problem of the elderly renter.

*Conclusion*

The elderlies have the right to life not out of life. They have the right to live with independence and dignity. With their labor, they have planted societal seeds and cultivated the fruits of which all of us enjoy today. They have the need to be respected while society has the obligation to provide a mutual reciprocity. They need to be involved in the mainstream of society and we cannot afford to treat them as social casualties.

We need to provide them with the best of giving and sharing because they provided us with the best of everything today. We need to provide appropriate transportation systems so that they may be able to socialize with others and may also be afforded opportunities to obtain other basic necessities for life. We need to involve their wisdom to help us solve societal problems. We need to provide them sufficient income to sustain them through life not out of life. We need to eliminate the negative attitudes that we superimposed upon them and look at them as a part of our future not only in the past.

They also have the right to basic shelter needs and society has the obligation of providing them such necessity. This basic necessity should be affordable and should be situated where the surrounding environment is conducive to the everyday well-being of the individual.

In concluding this testimony, it is proper to state that condominiums can be seen as a solution to the basic shelter need. However, we need to ascertain if this is the appropriate means by which we could provide housing that is decent and affordable to the fixed income elderly renter. Taking the present income situation (SSI) into account, there is a need to place a great deal of emphasis on whether or not this conversion is the mechanism duly structured to provide a solution or to compound the present housing problem of the elderly renter.

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ITEM 5. LETTER AND ENCLOSURE FROM RICHARD LIVINGSTON, REALITY HOUSE WEST, SAN FRANCISCO, CALIF., TO SENATOR DENNIS DECONCINI, DATED DECEMBER 20, 1978

DEAR SENATOR DECONCINI: Thank you for visiting the Cadillac Hotel in San Francisco when you came to California to preside over the field hearing on "Older Americans in the Nation's Neighborhoods."

The tenants of the hotel, as well as staff and friends of the program, appreciated your visit and the opportunity to talk with you.

We appreciate your concern for the elderly and your interest in our program at the Cadillac Hotel.

I am sending some material on the Cadillac Hotel in the hope that it can be included in the hearing record.

If you or the members of the committee have any further questions, please feel free to contact me.

Again, thank you for your concern and interest.

Sincerely,

RICHARD LIVINGSTON.

Enclosure.

#### THE CADILLAC HOTEL AND NATIONAL URBAN POLICY

The Cadillac Hotel sits on the corner of Eddy and Leavenworth Streets in the heart of San Francisco's tenderloin, perched dangerously on the edge of society. The tenderloin, like many of the Nation's central cities, is a decaying rot of neglected buildings, crime in the streets, and senior citizens trapped in cheap hotels.

San Francisco has seen the decline of its central city residential neighborhood during the last three decades. The buildings that met the needs of generations after the second world war became obsolete. The giant hotels took the tourists, leaving the smaller and older hotels to become filled with low-income transients and permanent senior residents.

The elderly are now trapped within the older hotels—trapped by the low rents, trapped by their desire to live independently in the central city, trapped by the elements that prey upon them. Simultaneously with the decay, policy-makers have become increasingly concerned with the urban problem. Urban renewal has demolished many of the cheap hotels without creating sufficient



humane alternatives. Social programs in enormous numbers have been created since the fifties to meet the needs. Instead, a fragmented trail of benefits is left strewn about, with few comprehensive solutions.

To date, most efforts at a solution have left out, or tried to exclude, one or more of the existing elements. The central cities are populated with decaying structures, low-income elderly, hard core unemployed, and offers of governmental assistance. Most proposals to better the lot of seniors bring them together with public assistance programs. Many proposals have also taken into account the assets represented in the decaying buildings and attempted to bring three elements together: seniors, public assistance programs, and older housing structures. But very few programs have attempted to positively involve the elderly with unemployed ex-offenders in a comprehensive solution.

Reality House West, through the Cadillac Hotel, is attempted to bring together the four elements available in the most run down downtown residential areas: seniors, ex-offenders, public programs, and old housing. The ex-offender element is the part most often ignored. Or if they are not ignored, the goal is to protect the seniors from the criminals. Other solutions seek to move the criminal element to another neighborhood or to another city.

Reality House, from decades of experience with ex-offenders, understands that both seniors and ex-offenders in the central cities are economically oppressed. The elderly population is not going any place. The ex-offenders and hard core unemployed are not going anywhere. The most effective solution must combine these two populations in a positive constellation. The most efficient solution must include older housing resources and existing public subsidies in a comprehensive manner. The Cadillac attempts to do this.

The Cadillac Hotel is an action plan and a demonstration project of a new approach to national urban policy. The goal of the Cadillac is the transformation of the tenderloin into a model central city neighborhood by developing the facility into a multipurpose residence and community center.

The importance of the project is that Reality House's approach is unique in combining resources of senior citizens, ex-offenders, government programs, and older hotel stock. The project is duplicable in many metropolitan areas where the chief elements of the Cadillac Hotel plan also exist.

The Cadillac deals with all of the basic urban policy objectives listed in a recent Carter administration planning memo:

- (1) Meeting the emergency needs of cities, particularly through fiscal assistance and enlarged employment opportunities for young people.
- (2) The strengthening of private business in urban areas as a means of increasing jobs and bolstering the urban tax base.
- (3) Making cities more attractive places to live and work by revitalizing neighborhoods and improving housing.
- (4) Reduction of the social and financial disparities that make suburbs more attractive than cities as places to live and do business.
- (5) Strengthening measures to combat racial discrimination.

The project is an ideal modern demonstration project for examining policies that affect fixed income seniors living independently in metropolitan areas, unskilled ex-offenders reentering the urban community, old central city housing and urban renewal government programs available to the cities, and developing services through minority controlled community organizations.

The fixed income seniors in the hotel, and more generally in the tenderloin neighborhood, are an urban paradox. On the one hand they live in the worst of environments from an urban planning perspective. The area has the highest national and regional crime rates and the seniors represent relatively defenseless victims. They choose hotel life and its independent living, but inflation continually hurts their fixed and diminishing resources. The neighborhood is physically avoided and politically isolated. The good side however—the hotel existence represents an inexpensive, diverse, and potentially caring environment for senior citizens. It is possible to create a human, caring, nutritional, and independent living situation that is connected to the world and safe from predators.

The younger and unskilled ex-offenders re-entering the urban community have another set of problems. The prison's policies are increasingly turning to punishment and discounting rehabilitation. Ex-offenders leaving prisons lack skills and economic resources, are often unconnected to the larger community, and lack the self-esteem of having a productive role in society. They need a supportive environment with limits, resources, and training opportunities offering an alternative

to the criminal lifestyle. Representing an unemployed class, they need an economic situation connected to the mainstream, integrated into the work force.

The old buildings in many metropolitan areas represent grand opportunities, especially for rehabilitation through employment opportunities for young people. The buildings are often, like the Cadillac Hotel, structurally sound but needing a lot of labor that can be unskilled if supervised by skilled trainers. Not only is the building then rehabilitated, and the elderly provided low-cost housing, but training skills and income are also transmitted to youth, seniors, and ex-offenders.

Existing government programs provide much of the resources for the people and the programs within the Cadillac Hotel. The multipurpose project, combining different resources, needs the sum of the programs to be compatible, and not counterproductive. The hotel and its residents relate to dozens of public policies, including those for housing and urban development, health, social security, welfare, medicare, mental health, employment and training, aging, drug abuse treatment, police, correctional, recreational and other programs.

In the brief time that Reality House has operated the Cadillac Hotel we have identified a multitude of applicable programs as well as a host of policies that are counterproductive to the basic urban policy objectives. HUD programs are a natural for the residential program, but many programs are designed for apartment living rather than hotel rooms without kitchens. Zoning regulations govern conversion of units from hotel rooms to apartments and costs are often prohibitive. Social security and, even more so, SSI policies discourage employment by recipients even though their fixed payments are nearly impossibly low. Using youth and ex-offender labor, paid by CETA programs, to rehabilitate housing is a natural, but Davis-Bacon Act provisions outlaw construction work with Federal funds without paying union scale wages. All of the programs include forms, procedures, guidelines, and different levels of bureaucracy. Each must be individually approached with an eye for applicability and to policy changes that would cut down counterproductive regulations.

Reality House West is a black-funded and controlled community organization providing an integrated system of social services. Like many such minority controlled organizations, they lack capital assets for a significant endowment. These organizations are often one step in front of the bulldozer in rented facilities, redevelopment buildings or the like. The Cadillac Hotel, purchased by Reality House, represents an opportunity to develop equity and financial resources. The building is currently valued at about \$6 per square foot. As this increased to a more realistic \$30 valuation, the building becomes a multi-million-dollar asset, a solid foundation for a community organization.

On December 9, 1978, the television program Bay Scene 7, produced and broadcast by San Francisco's KGO-TV, included a story on the Cadillac Hotel. In an interview on the program, Leroy Looper, the founder and executive director of Reality House West, summed up the Cadillac program:

"People are talking about getting rid of the addicts in the street and the convicts in the street and throwing the senior citizens in the river somewhere. We're saying that they are total resources in the community.

"People are saying there's no work in San Francisco, that there are no industries in San Francisco. There's an industry out there. Outside that door are buildings that need to be fixed up that could create a lot of work that broadens on all kinds of skills—electricity, brick laying, carpentry, plumbing. They could fix up this total neighborhood and the people in this neighborhood could put some money in the bank.

"If people really care about the concept of saving neighborhoods, if people really believe in what they say about senior citizens and ex-offenders and helping people, what we are asking for are experts and supplies and money to make this a living entity, that this hotel can impact the outside world and this be a demonstration model to show other parts of the country that it can be done. Then we'll halt the demolition of neighborhoods and prove once and for all that they can be salvaged.

"People think because people live in the tenderloin that they are poor, they don't have any resources and that they are dependent and it's a contrary view for me. The senior citizens as I know them in this neighborhood and in this hotel are very independent people. They like to be in the neighborhood, they were very resourceful when they were young, and they just like the neighborhood, and I feel it's crime to tear up a hotel and move them out or raise the rents so high that they cannot spend their last days in some kind of comfort."

## THE CADILLAC HOTEL—THE PAST

In 1906 the great earthquake and fire destroyed virtually the entire downtown of San Francisco including the bulk of the city's hotels. The years immediately after the disaster saw the city rebuilt at a fever pitch. By 1912 there were 1,237 hotels including 60,000 rooms, 90 percent of them new. One of the first hotels built in 1906-07 was the Cadillac Hotel.

The Cadillac is a steel beam reinforced brick building. It is situated on the largest lot on the block, a 137 foot by 137 foot parcel. The ground floor includes 10 store fronts and the hotel lobby. On the second, third, and fourth floors are located the 159 hotel rooms, approximately 40 percent with private baths and the remainder serviced by public rest rooms.

When the building was purchased by Reality House West in 1977, only one-third of the building was being utilized. Although structurally sound, lack of maintenance had caused the decline of most of the hotel rooms and store fronts. Ground floor windows were boarded up, upstairs windows were often broken. The roof leaked, the elevator was regularly breaking down, worn gaskets and valves made the boiler and heating system inefficient. The plumbing leaked and many of the toilet facilities did not work. The electrical system was antiquated and inadequate for the current usage. The tax assessor had valued the building at \$350,000, or about \$4 per square foot. The land was valued at \$200,000. It seemed only a matter of time before economics would demand that the building be demolished and another structure be built on the property.

The primary income was rent from senior tenants paying an average of \$80 per month from social security and pension checks. The most successful business was the corner liquor store that operated from 6 a.m. to 2 a.m. and did an active business around its two pay phones at the front and a number of pin ball machines in the back.

On the corner in front of the hotel dozens of heroin addicts congregated constantly. From the lobby of the hotel, seniors could watch bags and balloons of heroin be purchased and transferred just outside the picture window. Violence on the street was common—one tenant said that he had personally witnessed four murders in front of the hotel during his 10-year tenancy. While crime in the street was rampant, many police were blackmailing neighborhood businesses. Federal prosecutors have charged that local police extorted \$650,000 from businesses in the immediate area from 1966 to 1974. Seven present and former police pled guilty to blackmail charges in the U.S. district court in December of 1978.

In short, the Cadillac Hotel in 1977 was a fairly typical building in a fairly typical tenderloin neighborhood. What little interest existed in rehabilitating buildings in the tenderloin came from speculators looking for profits from government loans and subsidized rents. Few people or organizations saw much potential in the Cadillac Hotel at the time. Reality House though saw the building as a fantastic work site and the senior population as an asset. Banking on its past experience and reputation, Reality House decided to take a risk and purchased the buildings on April 15, 1977, with 100 percent private financing.

Hotels such as the Cadillac stand in ill repair across the country. From our experience in California there seem to be several trends. The first is that foreign nationals are purchasing the small and medium size facilities. Industry magazines estimate that over 25 percent of the hotels and motels in California are owned by foreign nationals. In San Francisco this is especially evident in the hotels owned by Patels, a family of hotel operators from India which the city planning department estimates owns 40 percent of the tenderloin hotels. This trend is supported by the fact that a foreign national can acquire a "green card" as a permanent resident by investing \$50,000 in a hotel facility.

The second trend, especially in the central city hotels sitting on valuable property in the central cities, is the inhumane decay of the facility and its eventual condemnation by the public authorities. On the face of it this seems to hurt the owners but actually it often helps speculators. An unprofitable hotel, such as the International Hotel which the Senate special committee has investigated, poses a difficult problem of eviction for potential developers, especially if the tenants are an organized group of senior citizens. However, if the owner allows the hotel to be mismanaged it can quickly fill up with junkies, winos, and street derelicts. Garbage may be allowed to pile up and the place becomes a fire and health hazard. The health department, or some other government agency, then condemns the building as unsafe and a hazard and the tenants are evicted. This leaves the owner with an empty building which in many cases is more profitable

than an occupied building. The seniors who happened to be living in the building, perhaps for decades, are out on the street.

Similar to the health hazard condemnation is the trend of burning of unprofitable buildings, some occupied and some not. In the 20 months that Reality House has owned the Cadillac Hotel, there have been more than a dozen major fires within a few blocks, all of buildings that on the face of it were unprofitable for their owners.

Another trend, which has destroyed literally thousands of units of low-cost housing in San Francisco in the last decade, is the "redevelopment" of the buildings and neighborhoods by bulldozing the old hotels. Most often when this has been done the residential units, many inhabited by fixed-income seniors, have been replaced with commercial nonresidential buildings. If the redevelopment includes the construction of residential units these are usually apartments costing \$40,000 or more each to build. If they are made available to low-income people it is through expensive subsidies.

The Cadillac Hotel hopes to be the beginning of a new trend—that of community based organizations taking over residential hotels and rehabilitating them with hard core unemployed laborers, creating a community center as well as enhancing the low-cost housing for seniors and other poverty level people.

The Cadillac Hotel is perhaps the most efficient and cost effective approach to the rehabilitation of central city housing stock. At a time of limited funds this approach must be examined closely. Not only is the total dollar cost extremely low, but what money is spent benefits the populations that need it most—hard core unemployed, fixed-income elderly, and community based organizations.

The traditional approach to creating housing for the elderly and low-income people in the United States is extremely expensive. This approach usually involves funding construction through tax exempt bonds purchased by banking institutions, building facilities through multi-million-dollar construction contracts, and then subsidizing the rents through HUD grants. The elderly benefit, those who can wade through the bureaucracy and waiting lists, by receiving housing at 25 percent of their income. But the large profits, the multi-million-dollar deals, are made by the banks that purchase the tax exempt bonds, the construction companies that received the contracts, and the administrators that run the program. Because the costs are high there are too few units and long waiting lists. Although many of the contracts include minority hiring clauses, few "hard core unemployed" benefit from the construction.

Clearly the need is so great that we need many different approaches, the traditional as well as the innovative. But when all the work has been completed, including the training and employment opportunities granted, units in the Cadillac Hotel will cost approximately \$7,000 each as contrasted with \$40,000 each in the new subsidized units across town.

#### REALITY HOUSE WEST—THE DEVELOPMENT OF A COMMUNITY BASED ORGANIZATION

Reality House began as one of the pioneer drug abuse treatment and ex-offender programs in the country. Leroy Looper, the founder and Executive Director of Reality House West, started the oldest drug program in Harlem, the first detoxification program in San Francisco's Fillmore district, one of the first drug abuse training programs on the west coast and was instrumental in the formation of many organizations including the San Francisco Coordinating Council on Drug Abuse, Westside Community Mental Health, and many others. Thousands of addicts have been treated, hundreds of professionals trained, and dozens of programs started by Reality House during the last 15 years.

The foundation of Reality House began in New York in the early sixties when Leroy Looper, himself an ex-addict and ex-convict, began working in prisons with Steven Chinlund, then a volunteer prison minister and now commissioner of the New York State prison system. From there Reality House was started in Harlem in the mid-sixties. Reality House is still one of the largest and most successful programs in Manhattan, directed by Syd Moshette, Leroy's former parole officer, and operated on nearly a \$2 million a year budget.

In 1969, Leroy left New York and came to San Francisco where he founded Reality House West. With no money, Reality House secured a building from the redevelopment agency and developed staff from the clientele and some volunteers. From this grew a detoxification facility, a therapeutic residential community, a training center and other programs. Some of the original staff are still with the organization.

During the seventies, Reality House West continued the drug abuse services but increasingly turned to work with ex-offenders, youth and economic development projects.

In 1976 Reality House West began investigating the possibility of operating programs out of a downtown hotel in San Francisco. We discussed the plan with criminal justice agencies, senior citizen organizations, the redevelopment agency, city planning department, and many other groups. Through all of this we came to the decision that the Cadillac Hotel was the best option available. We made arrangements to purchase the hotel as well as to secure the resources necessary for its development. We investigated the possibility of making the property exempt from local property taxes as well as meeting the requirements of the planning department, building inspectors, and the fire department. During 1977 we laid the foundation for developing the hotel into a cornerstone in a new tenderloin and a location for the delivery of community services.

Reality House had no funds for this project, but felt that our track record and ability to successfully put together programs made the project feasible. We approached the owner with the proposition that Reality House West assume the mortgage and that he allow us to pay the difference over several years—in other words, to buy the building with no downpayment.

We involved our board of directors and the attorney for the organization. Through negotiations, we reached a price of \$550,000 for the hotel. The bank holding the first mortgage allowed us to assume the loan of approximately \$310,000 at 7½ percent interest. The owner accepted a second mortgage of approximately \$240,000 at 6 percent interest with payments beginning 1 year after the purchase.

After purchasing the hotel, Reality House began an ambitious program to rehabilitate the building, establish services in the hotel and the storefronts, and effectively combine the populations of seniors and ex-offenders. By early 1979, all but one of our programs will be located in the Cadillac Hotel. Current service components include:

*Women's halfway house.*—The only service that is not planned to be located in the Cadillac Hotel, the Reality Women's House provides residential services to women being released from prisons and jails. The capacity of the house is 20 women who reside there for an average of 3 months while working in the community or involved in a educational program. The program is primarily funded by fee-for-service contracts from the Federal Bureau of Prisons and a grant from the San Francisco Mayor's Criminal Justice Council.

*Men's halfway house.*—The men's residential services, similar to the women's program described above, are provided on the third floor of the Cadillac Hotel. The program has a capacity of 40 men and is primarily funded by fee-for-service contracts from the Bureau of Prisons.

*Senior residential program.*—Operating on the second and fourth floors of the Cadillac Hotel, low-cost rooms are provided for independent elderly. There is a capacity for 100 residents. Funding for the operation of this program comes from the low-cost rents, averaging \$80 per month.

*Outpatient services.*—Located at 324 Leavenworth Street, in a Cadillac Hotel storefront, the outpatient services provide counseling to substance abusers and ex-offenders. There is a capacity for 100 clients funded by contracts with the San Francisco and California Departments of Health and the National Institute of Drug Abuse.

*Reality rap restaurant.*—The restaurant operated by Reality House is currently located on Divisadero Street in San Francisco but is scheduled to move to the corner of the Cadillac Hotel when remodeling is completed. The restaurant feeds seniors, youth and residents of the halfway houses as well as providing a community center.

*Maintenance company.*—A small group of laborers provide the maintenance for the Cadillac Hotel. Originally funded by a CETA grant from the Mayor's Office of Employment and Training, when the grant expired the best of the workers were kept as hotel staff. The eventual plan is to develop a company providing maintenance services for Reality House and other facilities.

*Upholstery shop (planned).*—With HUD community development funds, one of the storefronts will be remodeled into an upholstery shop that will train and employ ex-offenders and seniors to refurbish the furniture in the Cadillac Hotel as well as for other senior facilities.

*Administrative services.*—All of the programs and payroll for Reality House West are administered through the office at 306 Leavenworth, in the Cadillac building, including billing, fiscal records, personnel records, and other business.

*Billy Newman's gymnasium.*—One of the oldest boxing gymnasiums in the United States, Newman's has been located in the Cadillac Hotel for over 50 years and hosted dozens of world's champions including Jack Dempsey, Muhammed Ali, George Foreman, and many more. The gym is operated by Mr. Newman and includes about 8 trainers and 100 fighters.

*Artist's co-op.*—Also operated at the Cadillac Hotel by people other than Reality House West is the artist's co-op which includes a dance floor, darkroom, photography studio, and other facilities.

*Shoeshine stand.*—The third facility, along with the gym and co-op, in the Cadillac Hotel but not operated by Reality House is the shoeshine stand which serves as a ministry for its owner, Rev. David Fairley.

When Reality House purchased the Cadillac Hotel it was less than one-third occupied. Now, after 20 months, the facility is two-thirds utilized. We hope by the end of 1979 to be using 85-90 percent of the building for the various programs. None of this would have been possible without the financial support we have received. Most involved in the program were local foundations.

Funds for supplies were donated by the Bothin Helping Funding and the Evelyn and Walter Haas Foundation. The San Francisco Foundation awarded a grant to fund expert trainers and supervisors for the project. The Hewlett Foundation and the Irvine Foundation provided moneys for the major repairs on the building. An unrestricted grant was received from the Crown Zellerbach Foundation. Grants for remodeling the restaurant, gym, and upholstery shop were received from HUD funds dispursed by the Mayor's Office of Community Development. The first grant, to hire ex-offenders and seniors, was of CETA funds from the Mayor's Office of Employment and Training. From local parking tax revenues, the San Francisco Commission on Aging provided funds for building supplies.

In addition to the grants mentioned, the business community responded with a multitude of building supplies and furniture. Also donating supplies and equipment was the Synanon Foundation. Design services were provided by the University of California Community Design Center.

Finally, friends and residents of the hotel provided hours and hours of volunteer time in support of our efforts.

The Cadillac Hotel is a large project and requires support from a multitude of sources. The project is less than 2 years old and we estimate that the first stage consisting of the rehabilitation of the building will take a total of 5 years. A long and hard struggle, the results will benefit our community, our neighborhood, and hopefully serve as a model for others.

## Appendix 2

### STATEMENTS SUBMITTED BY THE HEARING AUDIENCE

During the course of the hearing, a form was made available by the committee to those attending who wished to make suggestions and recommendations but were unable to testify because of time limitations. The form read as follows:

DEAR SENATOR DECONCINI: If there had been time for everyone to speak at the hearing on "Older Americans in the Nation's Neighborhoods," in Oakland, Calif., on December 4, 1978, I would have said:

The following replies were received:

WILLIAM T. ABBOTT, OAKLAND, CALIF.

The senior citizens of Oakland would like for you to send a representative to our meeting (workshop meeting) to be held December 6, 9 a.m. to 3:30 p.m., at the First Presbyterian Church, 27th and Broadway, Oakland, Calif. This meeting is sponsored by the California Legislative Council of Older Americans. Here you will hear the dire needs and the true feelings we senior citizens have.

We need free mass transportations as they have in Philadelphia; Milwaukee; Santa Clara County, Calif.; the State of Hawaii, etc.

We do need a senior multi-service center as they have in most cities.

I would like further communication with your committee.

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S. W. BRAY, ALAMEDA, CALIF.

I am interested in the rumor that the cost-of-living index that has been tied to social security payments is being considered for removal due to budget cuts because of inflation. Please comment. Thank you.

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CLARENCE DAY, ALAMEDA, CALIF.

At least 50 percent of the military budget for expansion should be diverted to more human-related services.

It is shameful that we should spend so much preparing to kill people and so little to make life bearable for those alive—particularly the elders.

---

MITCHELL ELLIOTT, OAKLAND, CALIF.

The lack of morality in the discussion is unsettling. Sons and daughters are now encouraged to toss their aging parents onto a scrap heap. Now, more attempts are being made to make the heap more attractive and remove any lingering guilt for doing it. It is hogwash to say older people want to be with their age group. Young people with young ideas keep persons from getting old. Offsprings should bear the brunt of supporting their parents and encouraged to have them live in the same household. A tax credit would help in doing this. To pour money into depressing old-age housing is immoral. One of the worst I heard was that proposed by Mr. Turner in California to convert old cruise ships into homes for the aged. If you have spent any time on a ship, you will see what I mean.

---

JIM G. FRIEDL, CONCORD, CALIF.

Please provide some attention for the retired mobile-home owners who are at the mercy of the park owners.

Our investment is often hazarded by the mere whim of the park owner—with respect to fees, accommodations, and continued occupancy—especially if we criticize or protest any shortcomings.

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SUSIE P. GAINES, BERKELEY, CALIF.

No condominiums for the elderly. More money for the elderly. I would have said the same words that Mr. Turner said—most of the poor elderly helped build America with cheap labor and now we need to be looked after properly—medical-wise, better housing, food. The United States is the richest country in the world. I happen to be retired, a mother, a grandmother, and six brothers to serve in U.S. service. Also a son that served 2½ years in the Armed Forces. I am an advocate for the poorest of poor—elderly. This is what I would have said. Please look into the matter deeply. Then do something about it.

---

THALMA LAWRENCE, OAKLAND, CALIF.

Instead of new programs being initiated, which will necessitate training of staff and, as with passed experimentation, a great deal of resulting inefficiency and consequent lack of benefit to the elders in need, I am hoping for carefully considered and evaluated programs and agencies which have proven themselves to be effective. I have in mind our local Oakland Neighborhood Housing Services Agency which has, on a low-budget operation, visibly proved itself in the Elmhurst area of East Oakland. Director Nunn and staff have been a definite assist to seniors and others in efficiently processing low-interest rehab loans and in obtaining services for citizens of Elmhurst which, when handled by city bureaucratic systems, only result in endless delays and frustrations for the homeowner. Most elderly give up rather than having to deal with the paper-shufflers downtown whose only interest seems to be in perpetuating their jobs and not in solving problems.

---

MARJORIE MCCARTOR, HAYWARD, CALIF.

Older people are beginning to panic. People who have planned and saved to be self-supporting to the end of life are being hit by inflation year after year. They don't dare to think ahead now, knowing that each dollar buys less. Since housing takes a big bite out of available income, skyrocketing rents tend to reduce self-respecting citizens to fear ridden semipaupers. Women are particularly vulnerable.

Older people who get together and share a home might be a cost-effective strategy. Some way of rewarding relatives for providing living space for elderly family members might help.

A tax rebate for people willing to prepare and rent part of their home to an older person might help.

---

JAMES E. O'NEILL, ALAMEDA, CALIF.

Keep up the good work!

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BIRUTE SKURDENIS, OAKLAND, CALIF.

All types of surveys have been done on the comparative costs of caring for an older person in their own home or apartment and the cost of caring for them in a nursing home or acute care facility. (As far as I know, all have shown that the savings in money is immense when services are provided directly in the home. That's not even taking into account the savings in sorrow, anger, and fear that older people face when confronted with the possibility of entering a nursing home.

With all the howling taking place around the issue of the use of taxpayers money, it would seem to be a logical conclusion that providing services to those who need them in their own homes is a better remedy than forced nursing care. Yet there is no alternative to nursing care for many elderly who are well but are



having difficulties with cooking, shopping, or personal care. Oakland is, perhaps, in better shape than other cities in the country, having such services provided by groups like the Social Service Bureau of East Bay and the senior companion program, but we still have a long way to go.

I would like to see more emphasis placed on congregate housing which provides some of these necessary services. Currently, if you live in one of Alameda County's congregate housing sites, you face eviction if you are too ill to care for yourself, if only for a limited time. I've seen many older people whose health has deteriorated as they've become slightly ill and have become sicker for fear of losing their housing. Some even forego medical care for fear the administrator will find out and send them packing. None of the congregate housing sites will allow people in wheelchairs on the assumption that they cannot care for themselves, although there is one being built that will allow this. I would like to see that broadened. Thank you.

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VIOLA VOLG, BERKELEY, CALIF.

We are trying to keep older persons from becoming residents or patients of institutions as long as they can possibly manage to stay in their own homes.

However, it is necessary that there be suitable housing, and services appropriate for their condition and needs at a price they can afford.

Almost any alternative is preferable and less costly than placing older persons in institutions.

Needed are: Suitable (low-cost) housing, in-home supportive services, day care, and multipurpose senior centers.

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KILROY ZUKAS, BERKELEY, CALIF.

To win 1984's "Cold World War III," the home-scene logistics require adequate and decent homes for all Americans—not only the aged survivors of previous holocausts and massive wastes of their hard-earned taxes. After W.W. II in England, where I had been a 3-year, 8th Air Force combatant, the Labor Party repeated their W.W. I "Post War Homes for 'Veteran Heroes.'" They further said, "If homes were required to defeat the Hitler-Hirohito-Mussolini juggernauts, the low-income public houses could have rolled-off the escalated defense assembly line as did planes, tanks, ships, shells, etc.!" After 33 years of frustrated expectations of Yankee low-income modern housing for our W.W. I and W.W. II veterans and heroes, I finally secured a satellite senior studio shelter for my 66-year-old decrepit remains of W.W. I, W.W. II, and potential W.W. III struggles. As a retired school teacher, I have only \$300 income monthly after 50 years of effort in raising a family of three Phi Beta Kappa children at U.C., Berkeley, whose paternal grandparents were illiterate and alcoholic Litvok immigrant ghetto types. Just as public education achieved this upward mobility of my CCNY and GI degrees and the U.C. honors for my offspring, so would a massive rehousing "crash program" result in greater employment, less delinquency, less psychosomatic medical and mental health expenditures—especially in our growing urban and rural ghettos.

Converting deluxe Hawaiian Cruise Ships is not the solution. If Scandinavia and the Western European NATO and EEC governments and economies can provide model housing for their low-income taxpayers, surely the 20th American Century could match, if not surpass, these poorer nations.

If the Jonestown mass hari-kari refugees from "liberal bay area's Peoples' Temple" had decent housing, jobs, schools, and medical agencies, possibly they never would have fled this "Sodom and Gomorrah" crisis-ridden metropolis. If "law and order" vigilante-paratrooper White had been spared his Vietnam War hardening and pier number 39 "easy buck" hanky-panky, he still might have been San Francisco's supervisor helping Mayor Moscone and fellow politician Milk to improve San Francisco's public and tourist image, instead of tarnishing it. This is how the Roman era collapsed—too many legionnaires—not enough civilian securities.