

Session Sponsor:



Housing Alternatives for a Changing Demographic

MGS Annual Conference
April 24, 2015



Mary Youle
VP of Housing & Community Services
myoule@leadingagemn.org
651-645-4545





My Introduction for today's panel discussion

- Types of housing serving older adults in Minnesota
- Some of the trends in senior housing in Minnesota
- Some of the challenges facing older adults and their housing



SENIORS LIVE IN MANY TYPES OF HOUSING



Senior Housing in Minnesota

- Single Family Homes
 - 73% of Minnesota households own their homes
 - 53% of low income homeowners (<30 % HUD median income) are older adults (source: MHFA)
- “Auxiliary” housing in single family areas (pop-ups/granny flats)
 - Apartment created in adult child’s home
 - Self contained units if zoning permits
- Senior Condominiums and Cooperatives
 - Well accepted style of ownership housing in Minnesota
 - May be limited assistance in arranging needed services for those who are aging in place



Multifamily Rental Housing (55+)

- Affordable Housing
 - HUD subsidized (202s, public housing, etc.), Rural Housing Service, tax credit, etc.
 - Minnesota has been relatively well served with subsidized housing, but some of the stock is old and waiting lists are long in some areas
 - Various services, including assisted living and even memory care, can be provided in subsidized buildings



Multifamily Rental Housing (55+)

Market Rate rental for older adults

- Services can range from a few supportive services to extensive health-related/home care services
- Assisted living, memory care, care suites
- Townhouses, patio homes (these types can also be developed as ownership housing)
- May serve some individuals on Medical Assistance (Medicaid) and/or on Group Residential Housing—but there are typically limits on how many people on assistance will be served.
- Federal Housing vouchers for seniors are not common.



Other Types of Housing Serving Older Adults

- Small group living with a range of services
 - adult foster care/board and lodging/245D residential settings
 - May be called “Residential Care Homes”
- Campuses and Continuing Care Retirement Communities (CCRCs)
 - A range of living options from independent to assisted living to memory care to care center
- Naturally Occurring Retirement Communities (NORCs)—rental complexes or neighborhoods of single family homes



Housing-with-Services in Minnesota

- Minnesota has a unique regulatory system for senior housing that offers/arranges services—registration required for rental buildings for people 55+ that offer or provide various types of services; home care license required for health-related services
- 2,229 registered Housing with Services buildings in Minnesota; 1,365 in the 7-county metro area
 - In 2014, there were 62,278 units in HWS buildings compared to 29,521 care center beds
- 75% of HWS units designated as assisted living and 37% as memory care



Segments within Assisted Living

- Specialized, secured memory care
- Residential care homes
- Care suites
 - For those who need more intensive services and high staff ratio
 - Some assisted living programs are working with orthopedic surgery clinics to provide short-term rehab for their patients
- Programs designed for specific ethnic groups or people with specific diagnoses



Recent Senior Housing Trends in MN

- In 2014, many new developments were planned in the Twin City metro area, mostly in the suburbs
 - Only 9.4% of new developments were in Minneapolis/St. Paul. 23.3% in first ring suburbs and 39.4% in second ring suburbs. High land costs in center cities may force seniors to move to the suburbs.
 - However, in 2013, Minneapolis set a goal to develop 35 senior buildings by 2025—with a mix of prices. Several are in the pipeline, including affordable assisted living.
 - 31.5% of new units were “independent;” 26.5% assisted living; 13.7% memory care



More Senior Housing Trends

- More projects moving toward IL/AL hybrid units
 - Some existing projects have changed to this model
 - Also, development of new, large continuing care campuses
- Newer projects are generally filling well—older buildings may struggle and need to upgrade
- Condo/Co-op Units are a Strong Niche Market
 - This model could attract the “younger elderly” who like the idea of home ownership



More Senior Housing Trends

- Very Little New Development is Affordable
 - Federal resources for subsidized housing have decreased about 30 % in recent years. Little affordable housing in the pipeline.
- Legislative proposal to create CCRC “at home” or CCRC “without walls”
 - Model has been operating in other states
 - A wide range of services and guarantees with entrance fee and monthly fee similar to traditional CCRCs



Changing Consumer Preferences and Expectations

- Increasing consumer demand for flexibility in service delivery and charges for services
- Growing consumer expectations even for those of modest means:
 - larger units;
 - washers/dryers in units;
 - technology;
 - pubs;
 - wellness and fitness programs (pools, spas); etc.



CHALLENGES FOR SENIOR HOUSING IN MINNESOTA



Housing Not Designed for Older Adults

Many older adults live in single family homes or apartments that aren't designed for older adults:

- Need for structural and accessibility modifications
- Need for chore, home care and other services on a scattered site basis
 - Will the workforce be available?
 - Will membership/concierge-type programs (e.g., Beacon Hill model) work in Minnesota?
- Lack of transportation
- Isolation



Other Challenges

- Tight rental market is pushing up rents in the general market
- Little affordable housing for lower income households is being developed.
 - The incomes of 40% of senior renter households and 12% of senior owner households \leq 30% of the state median income (source: MHFA)
- MHFA says the cost burden rates increase as households grow older--One in three of the poorest households age 65+ spent more than 50% of income on housing.



Challenges for Low Income Seniors with Service Needs

- Limited availability of assisted living services in subsidized buildings; even fewer memory care programs in subsidized buildings
- Minnesota's Group Residential Housing Program's rates generally don't meet costs in HWS buildings
 - Maximum GRH payment is \$876/month for lodging and raw food for 3 meals/day
 - Landlords may reserve only a few units at the GRH "discounted" rent level
- Medical Assistance payments are also inadequate to cover the cost of services for many recipients





QUESTIONS?

