PROBLEMS & POTENTIALS FOR LOWER INCOME SENIORS FINDING SOLUTIONS FOR AFFORDABLE HOUSING AND HEALTH ASSISTANCE
• Since 2000 the number of seniors in poverty has been rising, the demand for affordable senior housing has increased, and the demand for affordable housing is not being met.
• Older adults are living longer, are more likely to experience disabilities, and will need additional services and will require modifications to their homes during their lifetimes.
• Increased medical costs, longer life spans, and limited savings mean that up to 90% of seniors will outlive their individual savings.
• The largest group of aging seniors requiring increased care and assistance, have personal incomes and assets between 30% - 60% AMI.

• The problem is that incomes over the 30% AMI threshold are considered too high to qualify for the safety net of public assistance and available subsidized senior apartments.
• And their incomes and personal assets far too low to afford the familiar choices offered by private pay and “for-profit” IL / AL Communities (some with ALZ) or CCRCs.

THE PROBLEM
Majority of today’s seniors have incomes of *less than* $25-$30,000 per year.

Source: US Census Bureau (based on 2010 census)
Affordable Options:
• Subsidized Senior Apartments (below 30% AMI, can be HUD/ LIHTC supported)
• Today’s Topic– “Alternate Affordable Choices With Care”

Private Pay Options:
• Active Adult
• Senior Apartments
• Independent Living
• Assisted Living
• Dementia Care
• Skilled Nursing

Or CCRCs
2010 monthly costs for senior housing, which escalates with the intensity of health care services provided (ranges from + $31,800 for IL/ year to $93,600 for SNF/ year)
Median age 67
Under 75 79%
Over 75 22%
Couples 62%
Single Female 22%

Median SF 2,400
Avg. bedrooms 2.83
Median Price $300,000 +

1. Younger population, usually without medical condition
2. Desires to live closed to family members or relatives
3. Want a better quality home
4. Want a larger place

Active Adult: younger seniors seeking real estate to support their new lifestyle.

Source: 2007, MetLife Mature Market Institute
Median age 72
Under 75 55%
Over 75 45%
Couples 17%
Single Female NA

Median SF 750-900 SF
Bedrooms 50-70% 1 Bedroom
Median Rent $800-1500/month
(subsidized housing)

1. Seeking affordable, senior-friendly apartments
2. Value physical amenities with limited supportive services

Senior Apartments: Older senior renters needing affordable, senior friendly housing (many of the supportive services for aging-in-place not provided in this option).
Senior Apartments: Included in Multi-Generational Affordable Housing Communities

This redevelopment replaces an existing World War II era public housing project with an urban community at a greater density. A Model Demonstration Ordinance allows significant infrastructure improvements with expedited permits and approvals. Housing choices include detached housing, single story cottages, attached townhomes, and stacked townhomes over flats. A hierarchy of open space ranges across the site.
Median age  84
Under 75    24%
Over 75     76%
Couples     16%
Female      75%

Median ILU’s  124
Project Size  110,000 GSF
Program 68% net leasable,
32% commons/circ
Avg. Rent  $2,650

1. Deteriorating health
2. Relief from home maintenance
3. Need for supportive services and socialization

**Independent Living**: Older seniors seeking hospitality and supportive services
Median age 81
Under 75 27%
Over 75 73%
Median age 81
Under 75 27%
Median units 299
Med. Project Size 330,000
Program 75% net leasable,
25% commons/circ
Median units 299

1. Deteriorating health
2. Desire to “Age in Place” without moving out
3. Relief from home maintenance
4. Need for supportive services and socialization
5. Values onsite AL and SNF services

**CCRC**: Combines independent living, assisted living and/or skilled nursing;
Payment plans include entrance fee, condo/coop and monthly rental.
Median age 86
Under 81 25%
Over 90 25%
Turnover 38%/yr
Female 76%
Median units 58
Med. Project Size 40,000-60,000 GSF
Program 50-60% net leasable,
40-50% commons/circ
Average monthly $3,500

1. Need for support for 2+ ADL’s
2. Adult child drives the move and selection

**Assisted Living**: Frail residents needing care (e.g. bathing, dressing, toileting, ambulating and eating); can be partially or fully dedicated to Alzheimer’s care.
Median age 84
Female 70%
Medicaid 38% of rev.
Medicare 18%
Prob. of 3+ mo. Stay (65+) 33%

Median beds 107
Med. Project Size 40,000-60,000 GSF
Average daily $257 ($7,800/month)
Median beds 107

1. Need for 24 hour skilled nursing care
2. Post-acute rehabilitation

**Skilled Nursing**: Residents requiring 24-hour nursing and/or medical care, and usually licensed for Medicaid and/or Medicare reimbursement.
PACE: Program of All-Inclusive Care for the Elderly

- 90% want to stay in their homes to “age-in-place”.
- Eligibility Requirement: Minimum 55 years of age or older, and be a current resident of a PACE service area.
- Must be State-certified to need nursing home-level care. Can live safely in community at time of enrollment. Pre-existing conditions required.
- 72 PACE programs available in 30 states
- Predictable cost to State/Fed Government. Dual eligibility for Medicare / Medi-Cal (pay no out-of-pocket costs)
- Typical PACE participant similar to a nursing home resident:
  - Female, average age of 83 years
  - Assume 6-15 medical conditions
  - Dependent in 3.7 ADLs (bathing, dressing, etc)
  - Dependent in 6 out of 7 IADLs (medication, money management, etc)
  - 62% have some degree of cognitive impairment (mild dementia)
  - Typically enrolled in program for their last 5.6 years of life

Example 1: PACE Program of All-inclusive Care for the Elderly
What is PACE

• Provides daily long-term care, including skilled nursing when needed. Comprehensive services include emergency care, preventative care, primary care, acute care, all medications

Interdisciplinary Team Approach

• Physician, RN, Dietitian, All Meals, Social Worker, Behavioral and Mental Health, Home Health Care (option), OT/PT, Transportation From Senior’s Home, Daily Activities, Dental & Vision Care

Comprehensive Care Plan

• Alignment of care needs, updated every 6-months. Monitors elders closely, with action taken early to restore participant’s health (and to maintain cost control)

Example 1: PACE  Program of All-inclusive Care for Elderly
**Typical Site Configuration**

- 10,000 – 12,000 sq.ft.
- $300/sq.ft. = $3-$4mm
- Day Center
- Primary Care Clinic
- OT/PT/Rehab
- Kitchen
- Medical Records
- Offices/Outdoor Area
- 150-160 Participants

**Example 1:** PACE  Program of All-inclusive Care for the Elderly (small example)
Example 1: PACE Program of All-inclusive Care for the Elderly (large example)

Boulder, Colorado
• Founded in 1988, SHAG operates 28 communities and over 4500 units and is ranked the 6th largest non-profit provider nationally of affordable rental apartment communities for low to moderate-income seniors (with average income $17,297/year).

• SHAG’s mission is to bring outside services into their communities in order to support residents their homes. Each building contains common spaces such as media rooms, computer rooms, exercise spaces, as well as community/multi-purpose spaces, lounges and roof gardens. However, no commercial kitchen or meals program is provided.

• Properties are typically 4% Low Income Housing Tax Credit (LIHTC) financed, and since 1998 have been using Bond financing. The developer’s relationships with construction lenders, permanent financing and tax credit investors has been successful in finding equity partners for gap financing so they don’t rely on public funding and grant sources.

Example 2: Senior Housing Assistance Group (SHAG)
Affordable rental apartment communities for low- to moderate-income seniors
Who does SHAG Serve?

• The average age of residents is 78 years old. Minimum age requirement is 61 (55 with disabilities).

• SHAG serves a senior population in the 30-60% AMI range. 26% of residents are paying over 50% of their income on rent, which typically ranges from $500-1000/month.

• 13% of the residents qualify for section 8 Housing Vouchers (which allows tenants to pay only 30% of their income on rent, with the remaining rent paid by the Section 8 program).

• Approximately 40% of residents self-report a disability. SHAG does “not” employ trained staff for essential residential care services needed for licensed Assisted Living, or wellness programs, community dining and meals programs.

Example 2: Senior Housing Assistance Group (SHAG)
Affordable rental apartment communities for low- and moderate-income seniors