

AFFORDABLE HOUSING ALTERNATIVES FOR OLDER ADULTS IN CITY NEIGHBORHOODS

Notes from VAN Monthly Forum, 10a.m. to noon, October 12, 2004

Presenters

Missie Staples Thompson, Fannie Mae Minnesota Partnership
Janice Mitchell (Older Americans Initiative), Fannie Mae National Office
Cynthia Lee, Multi-Housing Development, Minneapolis Community Planning and
Economic Development (CPED)
Diane Sprague, MN Housing Finance Agency (MHFA)
Facilitator: Jacquelyn Stewart, MN Senior Federation

Introductions

Jan Hively, VAN Coordinator, welcomed the group and asked those attending to introduce themselves and respond to the question: "When you think about moving to other housing in the future, what is one thing that you would want to be sure to find there?" Here are some of the responses:

- Sense of community+++ (mentioned four times)
- Single floor
- Windows that open
- Sunshine+
- Place to garden+
- Access to many activities
- Lots of kids around
- Child friendly neighborhood
- Nice climate
- Access to public transportation
- Parks, trees, pathways
- Exercise facility
- Library
- Diverse ages – Open minds
- Sidewalks and pathways
- View
- Easy access to outside
- No stairs
- Mental and physical stimulation
- 1 ½ stories
- No place to garden!
- Cultural activities
- Douglas firs
- Pets and music
- Close to church
- Security
- Intergenerational relationships
- Affordable rent
- Help with snow removal
- Change of seasons

The meeting facilitator, Jackie Stewart, introduced herself as a retiree from a corporate career in human resources and labor relations who is now a VISTA worker with the Senior Federation. Jackie learned about the need for advocates from caring for her mother. She focused her field work assignment on affordable housing while participating in the Advocacy Leadership Program for Vital Aging last year. She introduced the presenters as the best people to help seniors like her answer the question, "What should we do if we want to live in the city?"

Fannie Mae's Older Americans Initiative

Missy Staples Thompson, the director of Fannie Mae (the federal mortgage agency) in Minnesota, introduced Janice Mitchell, Jim Taylor, and Tamara King, the three national leaders of Fannie Mae who had come to Minnesota for the day to speak and listen at this meeting. In a power point presentation, Janice Mitchell described Fannie Mae's national Older Americans Initiative, which is designed to provide seniors with greater housing options to enhance their quality of life. She and the other Fannie Mae staff are seeking new ideas to increase housing opportunities for seniors.

In 2000, there were 35 million Americans over age 65, representing 12% of the population nationally – 17% in the Twin Cities. That number will swell by 3.2 million by 2010 (an increase of over 6,000 in each of five Twin Cities counties) and will nearly double by 2030, to 69 million, 20% of the population.

80% of Older Americans in Minnesota are homeowners, with an average property value of \$143,000. 76% of their homes were built before 1979 – an age when major systems require replacement. Many homes require repairs and renovation if they are going to accommodate declining mobility as older adults age in place.

Buyers ages 55+ account for 20% of all new home buyers. New housing developments must address affordability and also accommodate special needs and access to community/support services.

On a national basis, Fannie Mae has developed a 5-year partnership with AARP for: a) producing and preserving rental housing, b) working for policies that will support livable communities that support aging in place; and c) providing outreach for mortgage products. Fannie Mae is also working with its 55 partnership offices around the country to customize local strategies that will meet senior housing needs. In areas like the Twin Cities with many large immigrant families, new mortgage products are available to purchase duplexes or four-plexes or renovate large homes for multiple generations. New mortgage products are also available for manufactured housing and encourage energy-efficiency and accessibility.

The Minnesota Partnership Office has varied mortgage products, including HomeChoice, for people with disabilities, the HomeStyle Renovation Mortgage, and FHA insurance for reverse mortgages – through which banks provide regular income payments to the senior homeowner, against the value of the home, usually to be paid back from the sale of the home after the homeowner dies or moves away.

The Fannie Mae handouts included "Biweekly Mortgage at a Glance" and "My Community Mortgage" information sheets. These and other information materials are available through www.efanniemae.com.

Senior Housing Policies and Opportunities in Minneapolis

Cynthia Lee, the director of Multi-Family Housing for the Minneapolis Department of Community Planning and Economic Development (CPED), described the City's Senior Housing Policy, developed in 2001 and approved in June 2004 as a part of the City's Unified Housing Policy. The City has the following objectives:

- Support development of affordable and mixed-income senior rental housing in all quadrants of Minneapolis. Senior rental housing may include independent rental, congregate, and/or assisted living projects;
- Seek opportunities for public and private partnerships;
- Seek new financing options outside of existing affordable housing resources;
- Identify appropriate sites for senior rental housing development based on market information, not solely on opportunity. Locate senior developments close to transit, retail and services;
- Ensure quality management and supportive services;
- Encourage high quality design and amenities.

The City of Minneapolis is interested in doing more, however, to respond to the market trends reported in the 2003 Maxfield Research Study:

- Through 2010, the population of people age 55+ is projected to increase by 30%, but those 70+ are expected to decrease by 13.7%
- There have been significant recent declines in Minneapolis' senior population resulting both from outmigration and from low birthrates in the 1930's.
- Maxfield recommends that a portion of the outmigration could be stemmed by increasing the availability of desirable and affordable senior housing options in appropriate Minneapolis locations.
- The estimated market demand for senior housing in Minneapolis 2003-2010: 1,233 market rate rental units, 1,912 affordable rental units and 1,406 subsidized rental units (independent rental and congregate)
- The estimated market demand for assisted living units in 2003-2010 is relatively small.

The City of St. Paul has experienced similar outmigration and decline in the senior population. Suburban developers, rural amenity areas, and sunbelt communities have successfully marketed to city dwellers, even though the cities have more public transportation, public and commercial services, and arts and recreation and education activities to offer. The majority of homeowners who are moving into the new riverfront condos are over age 55 and appreciate the mix of urban amenities. But more affordable housing is needed in city neighborhoods.

Some developments that respond to the needs of older adults are in the works:

- **Mixed-use corridor development:** Minneapolis is actively pursuing a number of corridor and transit-related housing strategies. Senior housing like the Volunteers of America project on Central Avenue in NE Minneapolis, with retail on the first floor, or the St. Anne's project on West Broadway are good examples. Future opportunities are evolving on the Hiawatha LRT corridor.
- **Cooperatives:** CPED's new Limited Equity Co-op Pilot program targets senior housing.
- **Conversion:** Walker Methodist is proposing to convert a nursing home to independent rental housing in South Minneapolis.
- **Inter-generational and faith-based:** There are several Minneapolis examples designed to coordinate inter-generational activities and services, including the Trinity

Gateway campus in south Minneapolis (senior rental plus housing with support services for mixed income and ages) and the Shingle Creek Commons projects (senior rental and supportive housing for people with MS). They are integrating activities and services for the disabled with those for seniors.

- **Accessory units:** Minneapolis zoning code does allow accessory units (often called “mother-in-law units” – small units connected to or incorporated within a larger home) in Planned Unit Development areas. (PUD is a zoning category, used where there is a group of parcels for which there is an integrative plan.)

DISCUSSION:

- Comment: The definition of income for which housing is “affordable” seems high.
- Comment: The city should not allow investors to hold property for a long time while they wait for land values to rise. There should be a penalty to encourage turnover.
- Question: Can the City require developers to build housing that is affordable?
Answer: The City says that where there are 10 or more units of housing being developed with public assistance, 20% must be affordable.
- Question: How many unrelated individuals can live in one residence? Golden Girls and other organizations are encouraging older adults to live together to reduce costs and provide mutual support.
Answer: The City allows up to five unrelated individuals to live in a residence.
- Comment: The federal government provides mortgage benefits for segregated housing for seniors 55+. Interactive support among the generations is beneficial for vital communities. If people want to live in seniors-only housing, that’s fine, but the federal government shouldn’t be paying for it. It’s time to lobby against segregated housing now, when boomers are saying that they will prefer intergenerational communities.
Comment: Younger adults and families who can provide supportive services for seniors should be able to live within the housing community.
Comment: It is, however, more convenient and efficient to cluster people who need services within one area where they can be easily reached by home care services. In the middle of city neighborhoods, the “Service House” that reaches out with services and also included assisted living units is a model in Amsterdam.

Making Homes “Fit” – Accessible Design and Remodelling

Diane Sprague, now affiliated with the MN Housing Finance Agency (MHFA) has been working in the field of housing for people with disabilities for 30 years. Diane focused her remarks on owner-occupied housing, because there are building codes that cover accessibility and adaptability in rentals.

The “built environment” is standardized for the “average” user – an active male in his 20s, around 5’10” and 180 lbs. Designs are based on his height, range of reach, strength, etc. Although the uniform building codes have streamlined cost-effective manufacturing and construction, they don’t fit children, seniors, very short or very tall adults, or people with disabilities.

There have been generations of design codes for accessibility, but they don’t tend to fit for older homes and some accessibility features conflict, depending on the

disability. For example, curbcuts are good for wheelchairs but bad for the visually impaired. Also, conventional homes have been exempt from the public/commercial accessibility codes. Older homes tend to have problems with entry steps, too-small bathrooms, insufficient lighting, unsafe stairways, only upstairs bedrooms and bathrooms, split-entry and split-level designs, and poor flow in kitchen design.

One response has been to build custom-designed features to create accessible homes or to retrofit existing homes. Another is to apply universal design that fits as broad a segment of the population as is practical. Since the 1990s, the worldwide goal has been for high quality “transparent” design that doesn’t look as if it’s special or institutional. The OXO brand of consumer products, for example, is well-designed and attractive for everyone. People have begun to demand “visitability” – so that family members and friends with disabilities can visit, even though the homeowners do not require accessibility. A “Practical Guide to Universal Home Design: Convenience and Livability” has been published by SE Metro SAIL (Seniors’ Agenda for Independent Living). It is available from:

- VAN – www.van.umn.edu
- Wilder Research – www.wilder.org/research
- Senior Linkage Line – www.tcaging.org

Diane handed out two documents to assist those interested in home accessibility remodeling, both available on MHFA’s website, www.mhfa.state.mn.us/accessibility:

- “Home Accessibility Remodeling Series”
- “Home Accessibility Remodeling Funding Resources”

Also, Diane has prepared a checklist to assess whether or not your home is accessible. “An Accessible Home” is available on the Fairview Press website: www.fairviewpress.org

Diane has worked in partnership with the Greater Metropolitan Housing Corporation (GMHC) to develop the “Lifetime Home Project.” A website and housing resource centers will promote awareness/education, training, and technical assistance about:

- Home universal design
- Accommodating remodeling
- Telehealth resources.

General Discussion

- Question: Are the new suburban mini-mansions being built to accommodate aging in place or multigenerational families?
Answer: No. This is an issue being discussed with the Builders Association and Remodelers Association. They should be designed now so they could be split up later. In Canada, the issue is addressed through what is called “flex housing.”
- Comment: The National Association of Homebuilders offer courses for certifying remodelers. The courses show what is needed to accommodate aging in place. See www.nahb.com.
- Comment from Missy Thompson: In Minnesota, Fannie Mae works with agencies to find out what the needs are and to develop pilots that provide solutions to mortgage issues. For example, they are interested in pilots to finance homes with accessory apartments. These pilot programs are delivered through lending associations.

- Comment from Janice Mitchell: Reverse mortgages are increasing in popularity. There is no credit or income qualification. Homeowners over the age of 62 receive income payments against the value of the home. There is no debt payment until the house is sold when they move from the home or die.
Note: Beth Paterson, 651-762-9648, who works with Reverse Mortgages Minnesota, schedules information sessions on reverse mortgages.
- Comment: It is often difficult to decide whether to sell your large old home to move into a new and convenient condo, or hold onto it so that you can leave it to your kids.
Comment: It's important to take advantage of available counseling to understand all the options. HUD provides counseling. At www.aarp.org, AARP has a guide called "Home Made Money" that shows how much you could rent your house for if you wanted to move.

Jackie Stewart thanked the presenters and adjourned the forum. As she said, "The topic of affordable housing is like mule meat. The more you eat, the bigger it gets in your mouth and the harder it gets to chew."

Meeting notes from Jan Hively, 10/18/04