SERVING OUR SENIORS

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On behalf of 14 public jurisdictions and private developer
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SOS Takeaways

• Seniors cannot find affordable housing.
• Providing new affordable housing with basic, limited services creates opportunity for long term savings for seniors and the state.
• A new state funding program is needed and the “pie” increased.
Maxfield Research Findings - Demographics

Minnesota’s 65+ population is projected to grow nearly 50%, to 1.2 million residents by 2030

- The highest proportion of households age 65+ have incomes between $10,000 and $30,000
- Housing cost burdens increase with age
- More likely to have disabilities and rent
- Homeless older adults are the fastest growing segment of the homeless population
- Growing service needs; elderly waivers increased 15% since 2008
Maxfield Research Findings – Housing Market

• Vacancy rates are nearly 0%
• Rental costs are increasing
  • Costs for housing with services are increasing at rates between 3% and 6%
• Design and amenities of housing may not match the service needs or development costs too expensive
• Waiting lists are lengthy
• Federal financing programs significantly reduced
Maxfield Research Findings - Implications

• Sheer size of the Baby Boomer generation could result in a large number of people that will not be able to afford their housing and service needs.
• Seniors would be better served if some limited, but basic services available in affordable housing.
• Most difficult to serve are those in the middle, who cannot afford the high cost of private rents but do not qualify for federal assistance programs.
SOS Proposal

• Construct affordable housing with some services
• Create a state funded gap financing program with the Low Income Housing Tax Credit, tax exempt bond programs, or other local resources
• Give residents choice and control over services.
SOS Requirements

• Maximum income limit of 50% AMI
• Publicly or privately owned, with authorization from local housing/development authority
• Sized to ensure cost-efficient delivery of services
• New construction, acquisition, or adaptive reuse
  • Facilities can be stand-alone or part of a larger, market-rate development.
• Support services must be available, with the scope determined by the local housing/development authority
SOS State Role

- $40 million of capital bonding, which leverages private and local investment
- Allocate funds on a 50/50 split between the seven-county Metro Area and Greater Minnesota.
- Local government must provide resources to help ensure affordability of the project for a period of 30 years to households earning not more than 50% of AMI.
Summary

• Serves economically vulnerable seniors
• Helps seniors stay in their community
• Promotes opportunity to safely age in place
• Provides a badly needed financing tool for communities to meet significant housing demand
Funding for the Maxfield Study Provided By…

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- City of Minneapolis
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- Northwest MN HRA
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