

Housing Assistance for Older Minnesotans

Fall 2012

Planning, Research & Evaluation



Summary

Minnesota Housing serves low- and moderate-income seniors through a variety of housing assistance programs that traditionally have not been age restricted. The purpose of this report is to document the extent to which Minnesota Housing serves older households through programs that provide affordable rental housing to tenants and home improvement/rehabilitation loans to homeowners.

Currently, 35.8 percent of lower-income households (less than \$50,000 annually) in Minnesota have a household head that is age 62 or older. Even without targeting resources to seniors, a relatively high proportion of Minnesota Housing assistance goes to seniors:

- Section 8 rental housing – 13,400 senior households annually, or 45 percent of assisted households
- Minnesota Housing-funded non-Section 8 rental housing – 6,200 senior households annually, or 15 percent of assisted households
- Rehabilitation loans to homeowners – nearly 500 senior households every five years, or 34 percent of Minnesota Housing borrowers
- Home improvement loans to homeowners – 1,000 senior households every five years, or 13 percent of Minnesota Housing borrowers

With these programs over a five year period, Minnesota Housing assisted about 21,100 households¹, which represents 4.0 percent of the state's 533,800 senior households (household head age 62+) and 6.3% of the state's 336,965 lower-income senior households.

Finding the most suitable housing options to meet the physical and financial needs of seniors requires that the Agency have a range of options from which to choose. From helping older homeowners remain in their homes through improvement/rehabilitation loans that increase accessibility to assisting senior tenants to age in place through service-enriched rental housing, Minnesota Housing can assist in providing and broadening their housing options.

As a starting point, this report examines how Minnesota currently assists seniors. In the effort to remain responsive to the changing housing needs of low- and moderate-income seniors, Minnesota Housing will continue to consider new approaches that might better serve them.

Background and Methodology

This analysis includes data on: 1) tenants of Minnesota Housing-funded rental housing in 2010 (reported in 2011); 2) Section 8-assisted households (project-based assistance) as of September 2012; and 3) Minnesota Housing-funded households assisted between 2007 and 2011 under home improvement and rehabilitation programs for homeowners.

¹ The total represents the number of households assisted by the rental programs in one year and the home improvement/rehabilitation programs over five years. Rental tenants typically stay in these units for several years or more, while the home improvement/rehabilitation loans finance one-time projects. Thus, the rental programs typically serve the same households over the five year period, while the home improvement/rehabilitation programs serve different households each year.

Data on tenants of Minnesota Housing-funded rental housing are a snapshot of household characteristics. During the compliance monitoring process, owners or managers of Minnesota Housing-funded developments report information to the agency. Minnesota Housing received data in 2011 as of December 2010 (most current available data). (Households in Section 8-assisted units were not included in the unit counts and household demographics for Minnesota Housing-funded rental housing.) Overall, Minnesota Housing has roughly 42,000 non-Section 8 rental units in its portfolio, and the Agency received household characteristic data for 22,728 of these units in 2011, which is a 54 percent response rate. For purposes of characterizing the demographics of the full portfolio, this report applies the household characteristic percentages for the 22,728 units to the 42,000 units in the overall portfolio.

Data on homeowners are based on the age of borrowers at the time of loan closing and include loans Minnesota Housing financed under the Home Improvement and Rehabilitation Loan Programs between federal fiscal years 2007 and 2011.

The analysis excludes first-time homebuyer programs (99 percent of borrowers under homebuyer programs are under age 62).

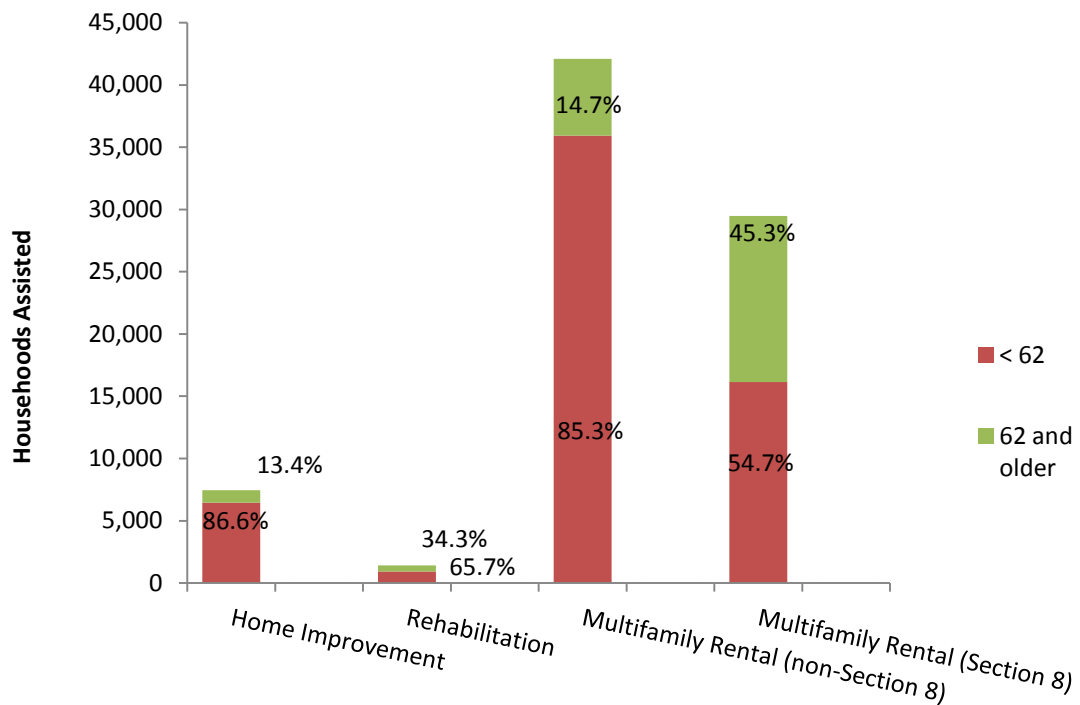
“Senior” is defined in this analysis as being age 62 or older (based on the U.S. Department of Housing and Urban Development’s guidelines). “Older senior” is defined as age 75 or older. For most programs, households are defined as senior by the age of the head of the household.

With the exception of Section 8, Minnesota Housing generally does not collect data on the ages of all people in assisted households. The number of households with a householder age 55 to 61 is shown in some tables or charts to provide context, e.g., the population that will become seniors in the next few years.

Seniors Assisted by Selected Minnesota Housing Programs

Twenty-seven percent of those households assisted by Minnesota Housing under multifamily rental and single family home improvement and rehabilitation programs are headed by a person aged 62 or older (see Figure 1 for a distribution by program).

Figure 1
Percentage of Minnesota Housing-Assisted Households
With a Senior Householder

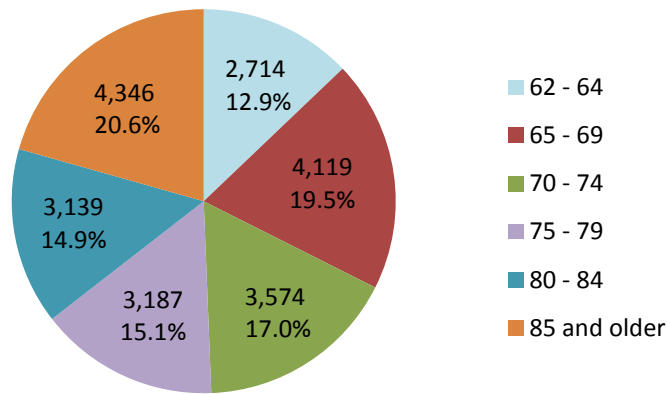


Source: Minnesota Housing HDS databases of loans financed and households assisted.

Older Seniors in Selected Minnesota Housing Programs

Fifty-one percent of the senior households assisted by Minnesota Housing under selected programs were headed by a person aged 75 or older (see Figure 2).

Figure 2
Age Distribution of Minnesota Housing-Assisted Senior Householders



Source: Minnesota Housing HDS databases of loans financed and households assisted including tenants of Section 8-assisted rental units, non-Section 8 rental units financed by Minnesota Housing, and Minnesota Housing-financed home improvement and rehabilitation loan borrowers.

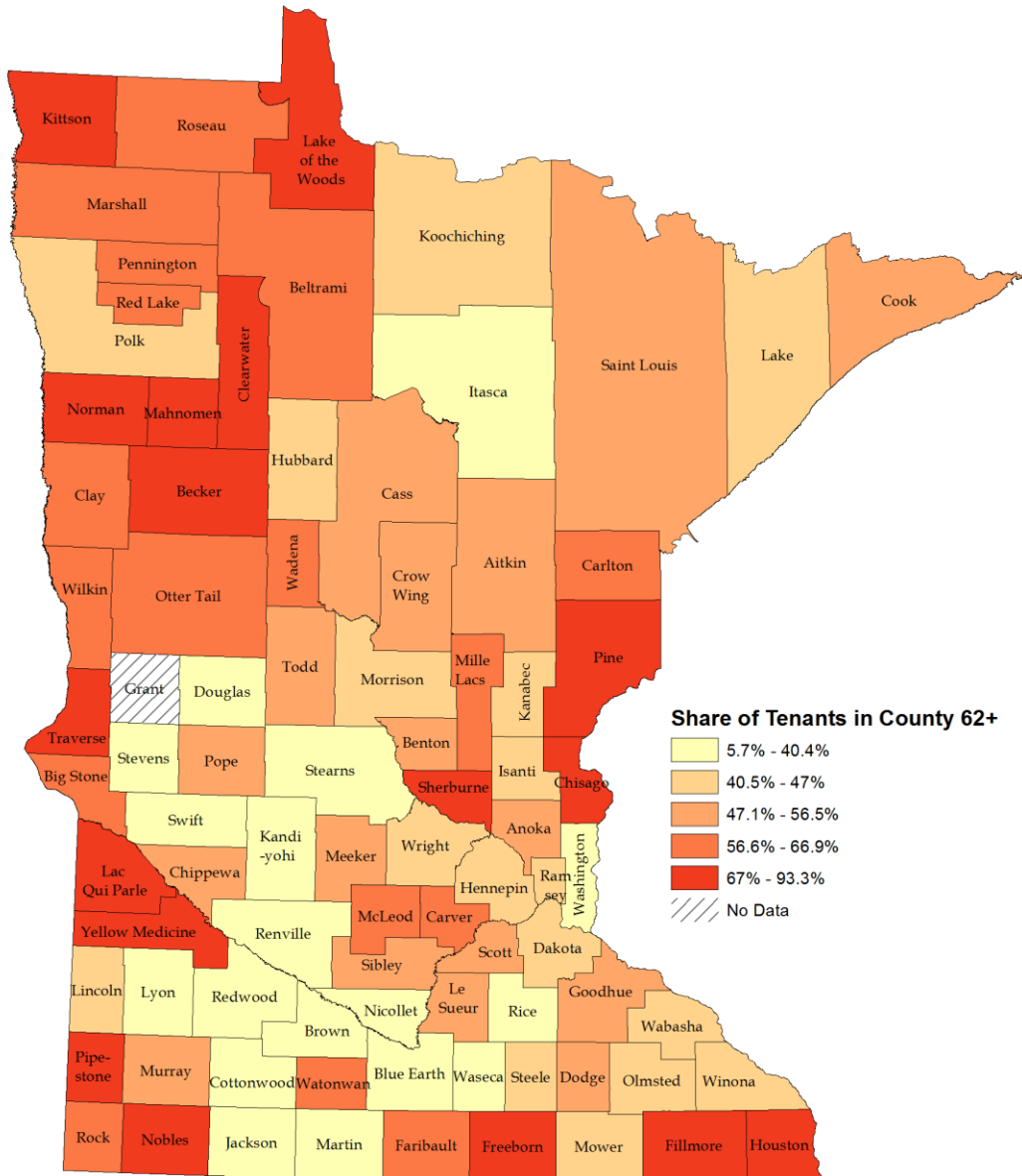
Older seniors primarily are tenants of multifamily rental housing. Of the non- Section 8 tenants, 46.8 percent of senior householders were 75 or older. Among senior households occupying Section 8 units, 55.3 percent were 75 or older (see Tables 1 and 2).

Multifamily Programs

Multifamily programs serve the greatest number of older Minnesotans among all Minnesota Housing programs—over 19,000 senior households each year.

- Minnesota Housing administers Housing Assistance Payments for approximately 30,000 households in Section 8 housing. Under U.S. Department of Housing and Urban Development (HUD) rules, the tenant of a Section 8 unit pays no more than 30 percent of household income for rent; HUD pays the difference between the tenant's payment and the total rent for the unit.
 - As of September 2012, 45 percent of all households receiving Section 8 project-based assistance were seniors.
 - Section 8 properties serving a high percentage of elderly households are in the Northwest, West Central, and Southern regions (see Figure 3)
 - The regions with the greatest number of Section 8-assisted elderly households are the Metro region followed by the Southeast and the Northeast regions (see Table 1)
 - An estimated 21 percent of households occupying Section 8 units were non-elderly households with a disabled member, 34 percent were families, and 45 percent were seniors.
- Demographic data for all Section 8 senior households show:
 - Median income of senior households in 2012 was \$12,732.
 - 55.3 percent of Section 8 senior householders were age 75 or older.

Figure 3
Share of Section 8 Householders Who are Age 62 or Older, by County



Source: Minnesota Housing Multifamily HDS
 Date: 10/9/2012



Table 1
Distribution of Multifamily Households in Section 8-Assisted
Developments by Region and Age of Householder, 2010

Region	Head of Household Age	Number of Households	Percentage of Region Total	Total Elderly	Elderly as Percentage of All Assisted Households in the Region	Regional Elderly Assisted as Percentage of State Elderly Assisted
CENTRAL	<55	1,265	43.8%			
	55-61	247	8.6%			
	62-64	107	3.7%	1,373	47.6%	10.2%
	65-69	205	7.1%			
	70-74	228	7.9%			
	75-79	194	6.7%			
	80-84	228	7.9%			
	85 and older	411	14.2%			
	Central Total	2,885	100.0%			
METRO	<55	7,840	48.4%			
	55-61	1,521	9.4%			
	62-64	740	4.6%	6,833	42.2%	23.1%
	65-69	1,348	8.3%			
	70-74	1,307	8.1%			
	75-79	1,173	7.2%			
	80-84	990	6.1%			
	85 and older	1,275	7.9%			
	Metro Total	16,194	100.0%			
NORTHEAST	<55	1,146	41.6%			
	55-61	231	8.4%			
	62-64	122	4.4%	1,379	50.0%	10.3%
	65-69	227	8.2%			
	70-74	250	9.1%			
	75-79	203	7.4%			
	80-84	217	7.9%			
	85 and older	360	13.1%			
	Northeast Total	2,756	100.0%			

Table 1
Distribution of Multifamily Households in Section 8-Assisted
Developments by Region and Age of Householder, 2010

Region	Head of Household Age	Number of Households	Percentage of Region Total	Total Elderly	Elderly as Percentage of All Assisted Households in the Region	Regional Elderly Assisted as Percentage of State Elderly Assisted
NORTHWEST	<55	298	31.9%	559	59.8%	4.2%
	55-61	78	8.3%			
	62-64	30	3.2%			
	65-69	70	7.5%			
	70-74	67	7.2%			
	75-79	99	10.6%			
	80-84	106	11.3%			
	85 and older	187	20.0%			
	Northwest Total	935	100.0%			
SOUTHEAST	<55	1,856	43.5%	1,969	46.2%	14.7%
	55-61	437	10.3%			
	62-64	215	5.0%			
	65-69	344	8.1%			
	70-74	285	6.7%			
	75-79	302	7.1%			
	80-84	310	7.3%			
	85 and older	513	12.0%			
	Southeast Total	4,262	100.0%			
SOUTHWEST	<55	619	43.0%	682	47.4%	5.1%
	55-61	138	9.6%			
	62-64	47	3.3%			
	65-69	101	7.0%			
	70-74	91	6.3%			
	75-79	83	5.8%			
	80-84	128	8.9%			
	85 and older	232	16.1%			
	Southwest Total	1,439	100.0%			

Table 1
Distribution of Multifamily Households in Section 8-Assisted
Developments by Region and Age of Householder, 2010

Region	Head of Household Age	Number of Households	Percentage of Region Total	Total Elderly	Elderly as Percentage of All Assisted Households in the Region	Regional Elderly Assisted as Percentage of State Elderly Assisted
WEST CENTRAL	<55	382	34.9%	628	57.4%	4.7%
	55-61	85	7.8%			
	62-64	46	4.2%			
	65-69	87	7.9%			
	70-74	84	7.7%			
	75-79	68	6.2%			
	80-84	114	10.4%			
	85 and older	229	20.9%			
	West Central Total	1,095	100.0%			
State Total	<55	13,406	45.3%	13,423	45.4%	100.0%
	55-61	2,737	9.3%			
	62-64	1,307	4.4%			
	65-69	2,382	8.1%			
	70-74	2,312	7.8%			
	75-79	2,122	7.2%			
	80-84	2,093	7.1%			
	85 and older	3,207	10.8%			
	State Total	29,566	100.0%			

- In addition to administering Section 8 Housing Assistance Payments, Minnesota Housing provides permanent mortgage financing and gap funds for the development of affordable rental housing. During the process of monitoring for compliance with program rules, property owners report annually on the characteristics of households occupying these rental units. Of the households in Minnesota Housing-funded developments (non-Section 8) reporting in 2011, 14.7 percent were headed by a senior.

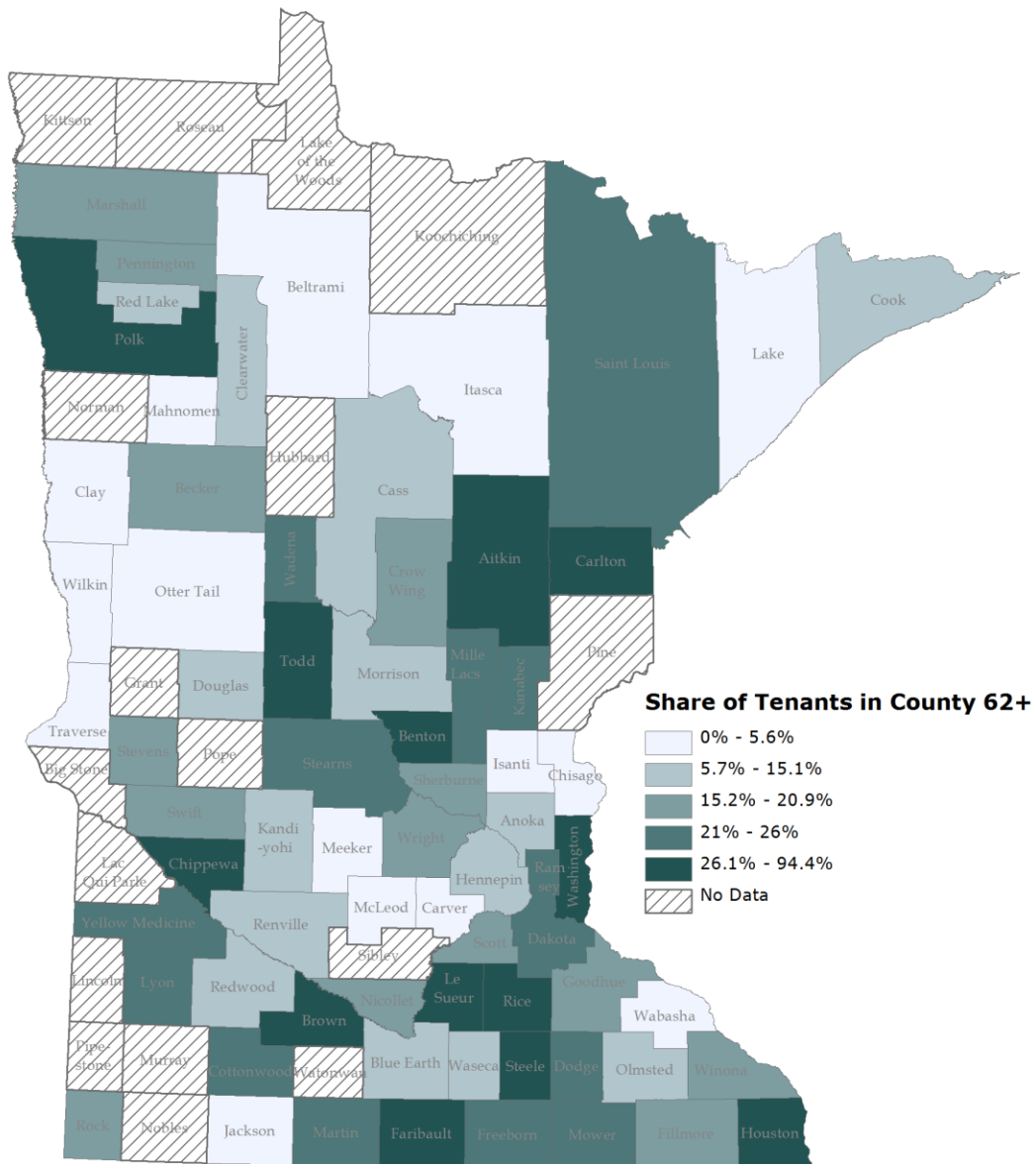
Demographics of senior households in non-Section 8 Minnesota Housing-financed developments show:

- Median household income was \$15,160.²
- 46.8 percent of senior householders were 75 or older.
- Ninety-seven percent included only one or two household members.
- Properties serving a high percentage of elderly households are in the Central and Southeast regions (see Figure 4).
- The regions with the greatest number of assisted elderly households are the Metro region followed by the Central and the Southeast regions (see Table 2).

Eighty-four percent of the Minnesota Housing-financed units occupied by seniors were in developments that received housing tax credit allocations.

² 2009.2010 move-ins

Figure 4
Share of Householders in Properties Financed by Minnesota Housing (Non-Section 8) Who are Age 62 or Older, by County



Source: Minnesota Housing Multifamily HDS
 Date: 9/17/2012



Table 2
Distribution of Multifamily Households in Minnesota Housing-Financed
Developments by Region and Age of Householder, 2010
(Reporting Sample Only)

Region	Head of Household Age	Number of Households	Percentage of Region Total	Total Elderly	Elderly as Percentage of All Assisted Households in the Region	Regional Elderly Assisted as Percentage of State Elderly Assisted
CENTRAL	<55	2,245	73.3%			
	55-61	209	6.8%			
	62-64	87	2.8%	607	19.8%	18.2%
	65-69	118	3.9%			
	70-74	105	3.4%			
	75-79	106	3.5%			
	80-84	86	2.8%			
	85 and older	105	3.4%			
	Central Total	3,061	100.0%			
METRO	<55	10,681	78.6%			
	55-61	1,059	7.8%			
	62-64	329	2.4%	1,843	13.6%	55.3%
	65-69	414	3.0%			
	70-74	295	2.2%			
	75-79	227	1.7%			
	80-84	276	2.0%			
	85 and older	302	2.2%			
	Metro Total	13,583	100.0%			
NORTHEAST	<55	1,138	81.8%			
	55-61	121	8.7%			
	62-64	31	2.2%	133	9.6%	4.0%
	65-69	38	2.7%			
	70-74	14	1.0%			
	75-79	18	1.3%			
	80-84	10	0.7%			
	85 and older	22	1.6%			
	Northeast Total	1,392	100.0%			

Table 2
Distribution of Multifamily Households in Minnesota Housing-Financed
Developments by Region and Age of Householder, 2010
(Reporting Sample Only)

Region	Head of Household Age	Number of Households	Percentage of Region Total	Total Elderly	Elderly as Percentage of All Assisted Households in the Region	Regional Elderly Assisted as Percentage of State Elderly Assisted
NORTHWEST	<55	584	79.5%	116	15.8%	3.5%
	55-61	35	4.8%			
	62-64	19	2.6%			
	65-69	10	1.4%			
	70-74	25	3.4%			
	75-79	25	3.4%			
	80-84	21	2.9%			
	85 and older	16	2.2%			
	Northwest Total	735	100.0%			
SOUTHEAST	<55	1,838	75.0%	438	17.9%	13.2%
	55-61	175	7.1%			
	62-64	51	2.1%			
	65-69	71	2.9%			
	70-74	79	3.2%			
	75-79	58	2.4%			
	80-84	86	3.5%			
	85 and older	93	3.8%			
	Southeast Total	2,451	100.0%			
SOUTHWEST	<55	548	78.4%	97	13.9%	2.9%
	55-61	54	7.7%			
	62-64	15	2.1%			
	65-69	13	1.9%			
	70-74	12	1.7%			
	75-79	17	2.4%			
	80-84	20	2.9%			
	85 and older	20	2.9%			
	Southwest Total	699	100.0%			

Table 2
Distribution of Multifamily Households in Minnesota Housing-Financed
Developments by Region and Age of Householder, 2010
(Reporting Sample Only)

Region	Head of Household Age	Number of Households	Percentage of Region Total	Total Elderly	Elderly as Percentage of All Assisted Households in the Region	Regional Elderly Assisted as Percentage of State Elderly Assisted
WEST CENTRAL	<55	651	80.7%	96	11.9%	2.9%
	55-61	60	7.4%			
	62-64	16	2.0%			
	65-69	16	2.0%			
	70-74	12	1.5%			
	75-79	20	2.5%			
	80-84	6	0.7%			
	85 and older	26	3.2%			
	West Central Total	807	100.0%			
State Total for Reporting Sample	<55	17,685	77.8%	3,330	14.7%	100.0%
	55-61	1,713	7.5%			
	62-64	548	2.4%			
	65-69	680	3.0%			
	70-74	542	2.4%			
	75-79	471	2.1%			
	80-84	505	2.2%			
	85 and older	584	2.6%			
	State Total	22,728	100.0%			

Source: Minnesota Housing Oracle database, 2010 tenant characteristics reported in 2011. These are tenants of units that are **not** project-based Section 8.

Single Family Programs

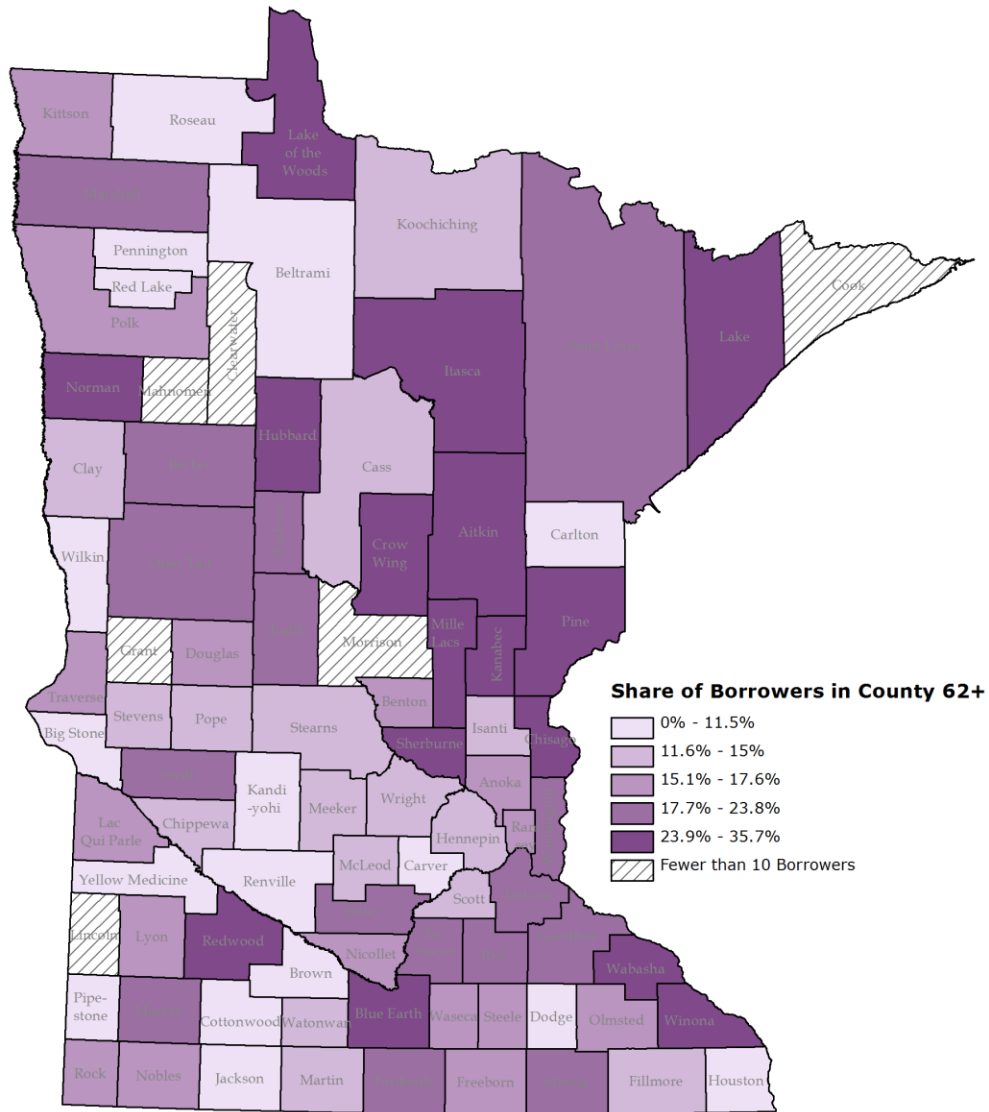
Minnesota Housing provides affordable home improvement financing to qualified borrowers to improve the property they occupy, increase its accessibility to a disabled occupant, or increase its energy efficiency. The Home Improvement Program provides general home improvement financing, and the Rehabilitation Loan Program provides deferred funding to homeowners to make basic repairs that directly affect the safety, habitability, energy efficiency or accessibility of their homes.

To achieve a meaningful sample size from which to identify borrower characteristics under these programs, we reviewed records of loans that Minnesota Housing financed from federal fiscal year 2007 through 2011. Of the two programs reviewed, the Home Improvement Program served the greatest number of seniors while the Rehabilitation Loan Program served the greatest percentage of seniors.

- Demographics of Home Improvement borrowers:
 - One thousand home improvement loans financed by Minnesota Housing were to senior borrowers (13.4 percent of the nearly 7,500 loans financed).
 - The median income of households with borrowers age 62 or older was \$46,160; age 75 or older was \$33,376.
 - Ninety-five percent of senior households included only one or two members.
- Demographics of Rehabilitation Loan borrowers:
 - Nearly 500 rehabilitation loans financed by Minnesota Housing were to senior borrowers (34.3 percent of more than 1,400 loans financed).
 - The median household income of borrowers age 62 or older was \$12,772; age 75 or older was \$12,540.
 - Ninety-six percent of senior households included only one or two members.
 - Of the Rehabilitation Loan Program borrowers who were seniors, 37.9 percent were 75 or older.
 - Of the Rehabilitation Loan Program borrowers who were seniors, 18.6 were identified as being disabled.
 - Under the Emergency & Accessibility Loan (EAL) component of the Rehabilitation Loan Program, qualifying owners may make emergency repairs to their property or modifications that increase its accessibility to a disabled occupant. The greatest proportion of all home improvement and rehabilitation loan borrowers who were seniors received EAL—39.4 percent of EAL borrowers were age 62 or older.

- Figure 5 shows the share of Minnesota Housing’s home improvement and rehabilitation loan borrowers within each county who were age 62 or older. The Northeast, Central, and Southeast regions have a high percentage of borrowers who are seniors.

Figure 5
Share of Minnesota Housing Borrowers Who are Age 62 or Older, by County



Source: Minnesota Housing Borrowers for FFY 2006 - 2011
 Date: 9/17/2012



Table 3
Distribution of Minnesota Housing-Financed Home Improvement and
Rehabilitation Loan Borrowers, 2007 — 2011

Region	Head of Household Age	Number of Households	Percentage of Region Total	Total Elderly	Elderly as Percentage of All Assisted Households in the Region	Regional Elderly Assisted as Percentage of State Elderly Assisted
CENTRAL	<55	426	70.8%	113	18.8%	7.6%
	55-61	63	10.5%			
	62-64	23	3.8%			
	65-69	30	5.0%			
	70-74	14	2.3%			
	75-79	21	3.5%			
	80-84	16	2.7%			
	85 or older	9	1.5%			
	Central Total	602	100.0%			
METRO	<55	2,723	70.8%	612	15.9%	41.1%
	55-61	511	13.3%			
	62-64	176	4.6%			
	65-69	230	6.0%			
	70-74	110	2.9%			
	75-79	53	1.4%			
	80-84	31	0.8%			
	85 or older	12	0.3%			
	Metro Total	3,846	100.0%			
NORTHEAST	<55	409	65.0%	127	20.2%	8.5%
	55-61	93	14.8%			
	62-64	33	5.2%			
	65-69	38	6.0%			
	70-74	19	3.0%			
	75-79	20	3.2%			
	80-84	9	1.4%			
	85 or older	8	1.3%			
	Northeast Total	629	100.0%			

Table 3
Distribution of Minnesota Housing-Financed Home Improvement and
Rehabilitation Loan Borrowers, 2007 — 2011

Region	Head of Household Age	Number of Households	Percentage of Region Total	Total Elderly	Elderly as Percentage of All Assisted Households in the Region	Regional Elderly Assisted as Percentage of State Elderly Assisted
NORTHWEST	<55	347	72.0%	71		4.8%
	55-61	64	13.3%			
	62-64	30	6.2%			
	65-69	12	2.5%			
	70-74	13	2.7%			
	75-79	7	1.5%			
	80-84	6	1.2%			
	85 or older	3	0.6%			
	Northwest Total	482	100.0%			
SOUTHEAST	<55	1,085	68.5%	291		19.6%
	55-61	209	13.2%			
	62-64	65	4.1%			
	65-69	79	5.0%			
	70-74	61	3.8%			
	75-79	44	2.8%			
	80-84	25	1.6%			
	85 or older	17	1.1%			
	Southeast Total	1,585	100.0%			
SOUTHWEST	<55	906	74.4%	184		12.4%
	55-61	128	10.5%			
	62-64	46	3.8%			
	65-69	59	4.8%			
	70-74	23	1.9%			
	75-79	30	2.5%			
	80-84	21	1.7%			
	85 or older	5	0.4%			
	Southwest Total	1,218	100.0%			

Table 3
Distribution of Minnesota Housing-Financed Home Improvement and
Rehabilitation Loan Borrowers, 2007 — 2011

Region	Head of Household Age	Number of Households	Percentage of Region Total	Total Elderly	Elderly as Percentage of All Assisted Households in the Region	Regional Elderly Assisted as Percentage of State Elderly Assisted
WEST CENTRAL	<55	370	71.3%	90		6.0%
	55-61	59	11.4%			
	62-64	19	3.7%			
	65-69	29	5.6%			
	70-74	18	3.5%			
	75-79	18	3.5%			
	80-84	3	0.6%			
	85 or older	3	0.6%			
	West Central Total		519		100.0%	
State Total	<55	6,266	70.6%	1,488		100.0%
	55-61	1,127	12.7%			
	62-64	392	4.4%			
	65-69	477	5.4%			
	70-74	258	2.9%			
	75-79	193	2.2%			
	80-84	111	1.2%			
	85 or older	57	0.6%			
	State Total		8,881		100.0%	

Source: Minnesota Housing HDS database, loans Minnesota Housing financed from FFY 2007 through FFY 2011.