HOUSING ALTERNATIVES FOR THE ELDERLY:

BACKGROUND AND ISSUES

MINNESOTA HOUSING FINANCE AGENCY

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Part 1: Introduction

1.1 Legislative Background

The Minnesota Legislature considered and passed a housing bill in April, 1976, which included an appropriation of $150,000 to MHFA to engage in research, design, coordination, and marketing of alternative housing delivery systems for senior citizens.[1] As a first stage in this research, the Minnesota Housing Finance Agency has undertaken to prepare an issues paper summarizing information available from secondary sources, analyzing that information for potential policy and program implications, and suggesting areas for further research.

This report presents a profile of Minnesota's elderly population with respect to a range of demographic and housing characteristics. It evaluates the suitability of housing alternatives now available to the elderly in light of the characteristics of subgroups of the elderly population. Finally, it identifies possible alternatives to the existing range of housing options and discusses their policy implications.

1.2 Discussion of Approach

Before a detailed discussion of options and alternatives for the elderly is presented, it is important to make certain assumptions explicit. Three assumptions are made in this report. First, major emphasis is placed upon the elderly as a population with special income, health, psychological and social needs. Thus housing is considered in light of its appropriateness to these characteristics. An alternative approach would give primary emphasis to housing stock characteristics. For the purpose of this paper, these considerations will be an important, but secondary concern. Second, it is accepted throughout the analysis that the elderly population is not homogeneous. There is wide varation in terms of the ages, capabilities, needs, and preferences of elderly persons which makes generalization difficult. Thus, it is useful to consider the elderly along a continuum from those who are fully independent to those who are fully dependent. As a household's need for assistance increases, it becomes increasingly dependent. Finally, it is assumed that most elderly households desire to minimize dependency. They seek the

autonomy and freedom of choice available to other persons in the community.

1.3 Profile of Minnesota's Elderly

Before discussing housing options for the elderly, it is necessary to understand the demographic and housing-related characteristics of Minnesota's elderly population. For purposes of this report elderly persons will be defined according to age. All persons aged 65 or older are considered elderly. Although such a definition is arbitrary, it reflects the age at which most persons retire.

Age

Age as a characteristic of elderliness is important not in and of itself but rather because it is highly correlated with other variables -- deteriorating health, low income, reduction in psychological capabilities, and limitations on the ability to socialize.

There were approximately 430,441 elderly persons in Minnesota in 1975 according to estimates made by the Office of State Demographer. These persons comprised about 262,535 households.[2] Both the numbers of elderly persons and the numbers of elderly households are growing. Table 1.1 indicates the trend of elderly household growth by region of the state. A more complete table appears in Appendix 1. Appendix 1 shows that the ratio of women to men for the entire elderly population was 1.36:1 in 1975. The female/male ratio increases with age--the ratio for the 85 and older age group is 1.90:1.

Persons age 65 or older comprise about 11 percent of Minnesota's population and nearly 22 percent of its households. (A household is comprised of those persons who occupy a housing unit. Persons living in long-term medical facilities are not considered households). However, the proportion of elderly persons and households is not constant throughout the state. About 8.5 percent of the population and 17.3 percent of the households in the Twin Cities area are elderly while 13.3 percent of the population and 26.1 percent of the households in the remainder of the state are elderly. Within outstate regions, proportions vary from 10.2% of the population and 22.6% of households (Region 7W) to 16.9% of population and 31.8% of households

TABLE 1.1

ELDERLY HOUSEHOLD PROJECTIONS IN MINNESOTA AND REGIONS
1970-2000

REGION	1970	1975	1980	1985	1990	1995	2000
1	8,276	8,731	8,875	8,923	8,792	8,548	1,805
2	4,649	5,363	5,827	6,031	5,979	5,699	5,359
3	24,542	26,419	29,207	31,140	31,965	31,942	30,596
4	15,074	16,461	17,172	17,579	17,441	17,101	16,160
5	10,379	12,193	13,162	13,591	13,292	12,591	11,556
6E	8,340	8,882	9,359	9,734	9,694	9,543	9,029
6W	6,307	6,561	6,704	6,749	6,717	6,460	5,946
7E	6,829	7,961	8,435	8,566	8,424	8,004	7,735
7W	10,097	11,331	12,308	12,984	13,513	13,603	13,814
8	12,429	12,926	13,470	14,038	14,179	14,031	13,200
9	17,184	17,945	18,611	19,085	19,108	18,965	18,297
10	27,457	29,165	30,693	32,030	32,986	33,655	33,290
11	99,406	98,597	102,364	108,844	118,385	126,233	130,007
TOTAL	250,967	262,535	276,187	279,294	300,445	306,375	303,040

(Region 6W).

Income

Income is another variable which affects housing needs. Income levels help determine the amount and quality of housing services a household can afford. Inadequate income may result in substandard and unhealthy living environments for many elderly people as well as contribute to the overall deterioration of the state's housing stock.

Table 1.2 shows the median incomes of elderly households in each region based on 1975 income estimates supplied by the U. S. Department of Housing and Urban Development. Most elderly in the state live on fixed incomes with the estimated median income for all elderly households being $4,848, and $3,992 when the Twin Cities area is excluded.[3] (By contrast, median income for non-elderly households is $14,984, or $12,410 when the Twin Cities area is excluded). In 1974 some 26.7% of all elderly households had incomes below the poverty line.[4]

TABLE 1.2

Median Elderly Household Incomes and
Percent Below Poverty Line in Minnesota and Regions (1974)

Region	Median Elderly Household Income[1]	Percent of Elderly[2] Households Below Poverty Line
1	$ 3,894	33.5
2	3,064	40.0
3	3,929	31.4
4	3,857	32.7
5	3,410	37.0
6E	3,922	30.8
6W	3,763	33.7
7E	3,584	34.0
7W	3,601	34.0
8	4,300	28.7
9	4,623	27.2
10	4,297	28.8
11	6,074	19.6
TOTAL	4,848 ($3,942 excluding Region 11)	26.7

1. Source: HUD Estimated Median Income 1974, unpublished.
2. Source: Minnesota Department of Public Welfare, unpublished (adjusted).

The data presented in Table 1.2 have a direct bearing upon housing for the elderly. While not all elderly Minnesotans are poor, the majority have low or moderate incomes which constrain the range of options which they can afford.

Health

Health status is a key factor with respect to the housing needs of the elderly. A person's health status determines the level at which he or she can function within the housing environment and the larger community.

Health status as it relates to housing is best considered in terms of functional health. Functional health is not concerned with the medical bases of a person's ability to function but rather how well a person actually does function, regardless of medical causes. It is most useful to discuss functional health in terms of mobility and engagement in activity when assessing housing options. While data on health is not available for Minnesota there are data on a national level which can be applied to the elderly in Minnesota. Hence, data on two aspects of functional health are presented in Tables 1.3 and 1.4.

TABLE 1.3

Number and Percent Distribution of Persons With Limitations of Activity Due to Chronic Conditions, 1974 (U.S.)

Age	Total Population (in Thousands)		With Limitation In Major Activity*		With Limitation In Other Activities		With No Activity Limitation	
	No.	Percent	No.	Percent	No.	Percent	No.	Percent
All Ages	207,344	100.0	21,996	10.6	7,296	3.5	178,052	85.9
Under 17	62,957	100.0	1,199	1.9	1,106	1.8	60,652	96.3
17-44 Years	80,782	100.0	4,543	5.6	2,606	3.2	73,663	91.2
45-64 Years	42,864	100.0	8,108	18.9	2,219	5.2	32,536	75.9
65 and older	29,741	100.0	8,146	39.3	1,365	6.6	11,230	54.1

Source: U. S. Department of HEW, Current Estimates From the National Health Interview Survey, 1974.

*These activities are ability to work, keep house, engage in school or preschool activities.

Data in Table 1.3 reveal several important aspects of activity limitation. First, over half of all elderly have no activity limitations. However, of those who do have limitations in activity, 85.6% are limited in their ability to engage in such major activities as working or keeping house. In essence these people find fully independent living difficult.

Table 1.4 goes further to define the nature of these limitations. It shows that significantly more elderly persons have mobility limitations than the rest of the population. Fully 17.6 percent of all elderly have mobility problems - 11.8 percent have severe problems requiring assistance or confinement to bed. These national percentages can be assumed to apply to Minnesota as well.

TABLE 1.4

Total Population Number and Percent Distribution of Persons by Mobility Status Due to Chronic Conditions - United States, 1972

Age	Total Population (in Thousands)	With No Mobility Limitation	Has Trouble Getting Around Alone	Needs Help Getting Around			
				Special Aid	Another Person	Not Confined To Bed	Confined To Bed
All Ages	204,148 (100%)	197,690 (96.8%)	2,609 (1.3%)	1,502 (0.7%)	572 (0.3%)	1,328 (0.7%)	448 (0.2%)
Under 17	64,865 (100.0%)	64,672 (99.7%)	73 (0.1%)	39 (0.1%)	44 (0.1%)	- -	- -
17-44 Years	77,131 (100.0%)	76,409 (99.1%)	358 (0.5%)	134 (0.2%)	69 (0.1%)	116 (0.2%)	44 (0.1%)
45-64 Years	42,229 (100.0%)	40,190 (95.2%)	1,027 (2.4%)	349 (0.8%)	113 (0.3%)	396 (2.9%)	154 (0.4%)
65 and Over	19,924 (100.0%)	16,418 (82.4%)	1,151 (5.8%)	981 (4.9%)	346 (1.7%)	787 (4.0%)	241 (1.2%)

Source: U. S. Department of HEW, Limitation of Activity and Mobility Due to Chronic Conditions, 1972.

Social and Psychological Capabilities

Social capabilities and needs are also closely linked to housing. Many elderly persons wish to remain engaged in the larger society to the greatest extent possible. Their housing can greatly influence the degree to which they remain socially engaged. If housing is remote from transportation services or other elderly persons, social engagement may be limited. While some elderly do not consider this lack of social contact detrimental, others may find it unacceptable. The key determinent rests in the social needs of the individual. Housing needs reflect these social needs.[5]

Psychological capabilities affect housing needs as well. As persons progress in age, their psychological and cognitive functions often deteriorate. They are slower to adjust; they have difficulty concentrating on several things at once; they sometimes become confused or disoriented. A person's level of psychological competence thus influences his or her housing needs. Psychological competence is very difficult to measure; the elderly population cannot be categorized according to psychological competence levels. Inability to make numerical estimates does not however, make psychological competency less significant as a consideration in assessing housing needs.

Living Arrangements

An environmental variable which impinges upon housing needs is living arrangement. A significant number of elderly persons live alone. Clearly, if a person lives alone, he or she must be more self-reliant than a person who lives with another person. A household may be independent, while individual members are not. It is thus useful to consider independence levels in terms of households rather than individuals.

Approximately 74.1% of Minnesota's elderly households own their own homes, according to the 1970 Census. This homeownership rate exceeds the 71.4% rate for the population in general.

Table 1.5 presents estimates of the number of elderly households living in

each major housing type. The estimates are based on data collected by the Governor's Citizens Council on Aging in 1971.[6] These percentages have been applied to the estimated 1975 elderly population of 430,441 persons and 262,535 households.

TABLE 1.5

Estimated Occupancy of Various Housing Types
By Elderly Persons and Households in Minnesota (1975)[7]

Housing Type	Estimated Occupancy		Living Arrangement	
	Persons	Households	Alone	With Spouse or Other
			(Percent of Persons in Housing Type)	
Single-Family House	322,900 (75.0%)	195,750 (75.0%)	21	79
General Occupancy Apartments	43,800 (10.2%)	36,500 (14.0%)	74	26
Special-built Elderly	15,500 (3.6%)	14,500 (5.6%)	94	6
Condominiums or Cooperatives	No Estimate - Very Small Number at Present			
Mobile Homes	5,000 (1.2%)	3,825 (1.5%)	53	47
Retirement Hotels, Boarding or Rooming Houses	1,990 (0.5%)	1,850 (0.8%)	86	13
Homes of Relatives	8,700 (2.0%)	8,350 (3.1%)	N/A	N/A
Nursing Homes	32,900 (7.5%)	N/A	N/A	N/A

Source: Mid-Continent Surveys Inc., The Status and Needs of Minnesota's Older People, Vol. 2, Governors Citizens Council on Aging, 1971, and State Demographer, Population Projections 1970-2000.

The data in Table 1.5 indicate that the vast majority of elderly persons reside in single-family homes. Most elderly persons living in single-family homes live with another person. The next most popular housing type is the general occupancy apartment, apartments not specifically designed for the elderly. This housing type is far less prevalent than the single-family home. Persons living in general occupancy apartments tend to be single. Apartment units built specially for the elderly comprise a much smaller number of housing units than either of the above-mentioned housing types. Here again, most residents tend to be single.

The remaining housing types, excluding nursing homes, account for a very small

percentage of the total housing occupied by the elderly. Only 3.6 percent of elderly persons, or 5.4 percent of elderly households, reside in these housing types combined. Finally, nursing homes are often considered to be medical facilities rather than housing units. In some areas, however, these units perform a housing function for persons requiring minimal care, but having no other shelter options.

Part 2: Current Housing Options

2.1 Current Options as They Relate to Elderly Needs

The eight housing options introduced in Table 1.5 (single family homes, general occupancy apartments, special-built housing, condominiums or cooperatives, mobile homes, boarding or rooming houses, living with relatives, and nursing homes) represent the major alternatives currently available to elderly Minnesotans. There is such variability among housing within each classification that only broad generalizations can be made in an evaluation of these different housing types. Louis Geliwicks and Robert Newcomer at the Andrus Gerontology Center, University of California at Los Angeles have categorized various housing types according to their suitability for elderly with varying independence levels. Their findings are reproduced in Figure 2.1.

It should be noted that Figure 2.1 assesses the suitability of housing types in the absence of in-home services. When these services are provided, households which appear to be unable to function in a given housing type may be able to do so. Increasing reliance upon these in-home services may cause housing needs to be determined to a lesser extent by the physical, social and psychological needs of the elderly.

Section 2.2 Adequacy of Current Options

The discussion in Section 2.1 provides a somewhat theoretical framework from which to assess the suitability of various housing types. This section considers questions of adequacy. In order to determine whether the current supply and range of housing types is adequate, three factors are examined -- housing preferences of the elderly, the availability of a range of housing options, and the affordability of those options.

TABLE 2.1

	Type	Individual Capability	Housing and Advantages for the Individual	Housing Problems for the Individual	Population Most Likely Housed
Fully Independent Household	Single family house	Self contained, self-sufficient household, capable of own personal care, housekeeping and cooking	Familiar surroundings, low monthly rent	Property taxes, maintenance costs, freezes property equity for alternative uses of these funds	All socio-economic and racial groups have an overwhelming preference for this type of housing, primary groups are married couples
	Apartment house		Frees assets from previously owned home, few building maintenance responsibilities	Relatively higher monthly rent; little management provision for supportive services; tenants of low capability not acceptable and will be moved out	All SES and racial groups, usually in age range from late 60's to late 70's about 2/3 are single persons
	Retirement community		Exposure/emergence in active age peer social system, many recreational amenities, few building maintenance responsibilities	High rent and activity costs; little management provision for supportive services; tenants of low capability not acceptable and will be move out	Mainly upper-middle to upper income, Anglo populations, usually these people are relatively younger (55-70), more active, and generally couples
	Mobile home		Relatively low cost new housing, some recreational amenities, few building maintenance responsibilities	Little management provision for supportive services; tenants of low capability are not acceptable and will be moved out; location usually in a non-central area	Mainly middle-lower to middle income, Anglo, in middle 60's to late 70's, both couples and singles
Semi-Independent Household	Single family house	Not self contained, not self-sufficient, residents are capable of own personal care, but may require assistance in cooking and housekeeping	Same as single family house above	Same as single family house above; supportive services required	Same as single family homes above
	Apartment house		Same as apartment above	Same as apartment above, supportive services required may not be available	Same as apartments above
	Boarding house		Meals, housekeeping provided; extensive social interaction available; frees assets from previous home	Moderate cost, regimentation to routine and regulations of housing unit; zoning for such facilities may place them in unfamiliar and undesirable setting	Primarily single men, low to low middle income
	Residence with children other relatives		Low cost for older person; availability of intimate support groups; few building maintenance responsibilities, may permit freeing assets in former residence	Loss of much individual freedom and privacy; stressful on interpersonal relationships	Principally single elderly women, middle income and below, slight variation among racial and ethnic groups
	Retirement hotels or apartments	Can still be self contained, but is less self sufficient, capable of personal care, cooking and housekeeping tasks are incorporated into the housing program; health care is available on emergency basis	Meals, housekeeping services provided; extensive social interaction possible; limited health services coverage; project usually does not provide life care	Low to high cost depending on quality of accommodations, regimentation of meal and housing rules, frequently very incapacitated will have to relocate to more supportive environment, building may not be well designed (remodeled) to accommodate the needs of the tenant population; also may be poorly located	Population ranges over all income groups because of the variance in the cost and quality of supportive services, tenants generally are in the early to middle 80's; sex balance; mainly single
	Homes for the aged		Same as above, except provides life care	High rent and monthly service cost, many also have high enrollment cost; regimentation to routine of meals and other housing rules	Principally middle to upper income Anglos, both couples and singles (Section 202 housing does permit limited access to low middle income), average tenant ages range from middle 70's to late 80's
Dependent Household	Intermediate care housing	Neither self contained nor self-sufficient, help given if needed in getting about, personal care, grooming, etc., in addition to cooking and household tasks; short term health care available if needed	Same as above, large proportion of costs are payable under Medicare and other health coverage	Moderate to high cost, many of these facilities are converted nursing homes and may have the appearance and orientation of these institutions	Same as above, except regarding sex balance – this will tend to be dominated by females, income range is explained because many higher income people will be receiving this care under the life care plans of their homes for the aged
	Nursing homes	Neither self contained nor self-sufficient; total care available for health, personal and household functions	Full range of medical and personal services; large proportion of costs are payable under Medicare and other health coverage	High cost, institutional environmental, negatively perceived as terminal care facility	Same as above

Source: Louis Gelwicks and Robert Newcomer, Planning Housing Environments for the Elderly.

Housing Preferences of the Elderly

The housing preferences of elderly Minnesotans are summarized in Table 2.2. These data, show the stated preferences of elderly individuals but do not directly reveal the extent to which these preferences are satisfied. Satisfaction can only be determined by comparing the total number of elderly persons occupying a housing type with the total number of elderly persons who express a preference for that type.

TABLE 2.2

Estimated Occupancy of Various Housing Types by Elderly Persons in Minnesota Compared with Preferences for those Housing Types

Housing Type	Elderly Persons Occupying Housing Type*		Elderly Persons Preferring Housing Type	
	Number	Percentage	Number	Percentage
Single family house	322,900	75.0	218,990	50.9
2-3 unit building	30,340	6.9	23,093	5.4
Apartment building	28,000	6.5	91,190	21.2
Mobile home	5,000	1.2	15,130	3.5
Retirement hotel or boarding house	1,990	.5	10,750	2.5
Place where some care is provided	0	0	30,065	6.9
Family or relative	5,350	1.8	1,990	.5
Commercial building (room over store, etc.)	3,980	.8	400	.1
Don't know	n/a	n/a	6,370	1.5

* Persons residing in nursing homes were not included in this survey. Some 32,900 elderly persons, or 7.5% of the elderly population, lives in nursing homes.

Source: GCCA Status and Needs Survey; 1975 population estimates published by State Demographer

Several trends emerge from such a comparison. First, it appears that not all elderly persons are currently living in the type of housing which they would prefer. Second, there are several housing types (single-family houses, duplexes and commercial structures) which are preferred by fewer elderly people than currently reside in them. Nearly 104,000 persons (37.2% of single family home residents), then, would desire to move from single-family homes, and an additional 7,250 persons (24.0% of such residents) desire to move from small multiple dwellings such as duplexes. Nearly 3,600 elderly persons (90% of such residents) who occupy commercial structures prefer some other housing form.

At the same time there are two housing types which are preferred by more elderly persons than currently occupy them. These are general occupancy apartments, which are preferred by 63,190 more elderly persons than currently occupy them and places where some care is provided which are preferred by an additional 30,000 elderly persons.

The underlying reasons for this apparent mismatch of housing to preferences may lie in the composition of the housing stock itself. Adequacy, then, must also be measured in terms of availability.

Availability of Housing Alternatives

Table 2.3 shows the availability of major housing types in the state by region. Availability of housing types to the elderly depends upon such factors as vacancy rates, rent, and geographic location. Because accurate indicators of these factors are not available, the present analysis is limited.

Several conclusions can be drawn from the data in Table 2.3. First, it is clear that the housing stock is dominated by single-family units. Region 8 has the highest percentage of single-family housing (88.2%) while Region 11 has the lowest (64.5%). This variation appears to be a function of the degree to which a region is urbanized.

A comparison of the second highest percentage in each Region is more revealing. In over half of the Regions, Regions 1, 2, 4, 5, 6E, 7E and 7W, the second most

Table 2.3

Number and Percentage of

Total Housing Units by Type and Region, 1975[1]

Region	TYPE OF UNIT Single-Family House	Duplex	3-4 Unit Apartments	5-19 Unit Apartments	20 + Unit Apartments	Mobile[2] Homes	Total Regional Housing Units
	80.0%	5.3%	1.8%	2.9%	1.1%	8.9%	100.0%
1	24,770	1,636	536	902	338	2,750	30,962
	80.4%	4.0%	1.4%	3.2%	1.0%	10.0%	100.0%
2	14,892	780	300	633	200	1,850	18,508
	75.0%	8.7%	3.4%	4.3%	2.5%	6.1%	100.0%
3	81,911	9,522	3,686	4,709	2,765	6,640	109,029
	79.0%	6.5%	2.6%	3.8%	1.6%	6.5%	100.0%
4	47,783	3,963	1,585	2,321	906	3,920	60,535
	84.5%	3.6%	1.4%	1.8%	1.0%	7.7%	100.0%
5	32,449	1,382	531	673	390	2,970	38,395
	83.0%	6.0%	1.8%	1.7%	1.0%	6.5%	100.0%
6E	26,659	1,921	570	540	300	2,090	32,111
	86.5%	5.3%	1.4%	1.3%	1.3%	4.2%	100.0%
6W	17,664	1,076	279	274	259	850	20,412
	81.3%	5.1%	1.4%	1.7%	0.2%	10.3%	100.0%
7E	21,322	1,341	377	447	47	2,700	26,234
	78.6%	7.2%	2.2%	3.2%	0.9%	7.9%	100.0%
7W	40,472	3,653	1,091	1,613	474	4,090	51,537
	88.2%	4.5%	1.6%	1.6%	0.8%	3.3%	100.0%
8	39,815	2,098	699	699	360	1,490	45,195
	82.1%	7.1%	2.2%	2.4%	1.8%	4.6%	100.0%
9	57,478	4,952	1,539	1,673	1,271	3,220	70,133
	77.5%	8.4%	3.5%	4.1%	1.5%	5.0%	100.0%
10	96,353	10,404	4,374	5,084	1,892	6,190	124,415
	64.5%	10.1%	3.2%	10.8%	9.5%	1.9%	100.0%
11	396,255	62,122	19,903	66,344	58,504	11,630	614,759
	75.5%	8.5%	3.0%	7.1%	1.2%	4.7%	100.0%
STATE	897,823	104,850	35,470	85,912	15,006	50,390	1,189,451

[1]Source: Minnesota Analysis and Planning System, Minnesota Housing Characteristics from the 4th Count Summary of the 1970 Census. Note, these data were adjusted to reflect 1975 population estimates supplied by the Office of the State Demographer.

[2]Mobile home estimates were made based on tax assessment data. Figures were supplied by Minnesota Housing Finance Agency, 1976.

frequent housing type is the mobile home. Regions with high concentrations of mobile homes tend to be more rural in character than those with higher concentrations of other housing types. Duplexes are found in the second position in Regions 3, 6, 8, 9 and 10. This probably reflects the higher concentration of urban areas in these regions. Only in Region 11 is the apartment (5-19 units per building) found in the second position. The housing type found least often in most regions is the larger apartment (20 or more units per building). It should be noted that subsidized units are included in these estimates.

It appears, then, that the variety of housing options is limited in many regions of the state. Single-family homes are readily available while multiple dwellings are available to a significantly lesser degree. Appendix 3 describes the availability of institutionalized care by Region. Only in Regions 3, 10 and 11 is there a significant range of housing types. Moreover, when aggregate housing preferences are considered, it is apparent that the housing type preferred by most elderly persons (apartments) is in shortest supply in most regions.

Affordability

The degree to which preferred housing is available is of little value unless the affordability of such units is assessed. A general "rule of thumb" in the housing field is that a household should not spend more than 25 percent of its total income on housing. Using this percentage as a guide, Table 2.4 represents the maximum monthly costs that households with varying incomes should incur for housing.

TABLE 2.4

Incomes and Housing Costs at 25 Percent of Income

Income	Monthly Housing Cost At 25 Percent of Income	Mean Monthly Housing Cost At 25 Percent of Income
Less Than-$1,000	$ 0-$ 20.32	$ 10.16
$ 1,000-$1,999	$ 20.33-$ 41.65	$ 30.99
$ 2,000-$2,999	$ 41.66-$ 62.49	$ 52.08
$ 3,000-$3,999	$ 62.50-$ 83.32	$ 72.91
$ 4,000-$4,999	$ 83.33-$104.16	$ 93.75
$ 5,000-$9,999	$104.17-$208.32	$156.25
$10,000-And Up	$208.33-And Up	$208.33-And Up

The figures in Table 2.4 can be compared with those in Table 2.5 to determine the adequacy of the present housing stock with respect to elderly incomes. The housing costs listed in the Table were reported in 1971 (before the energy crisis) and are thus lower than present costs.

TABLE 2.5

Elderly Incomes Compared with Distribution of Actual Housing Costs

Income	(a) Actual Monthly Mean Cost	(b) Difference Between Actual and 25% Mean Cost	(c) Estimated Percent Paying More Than 25%
Less Than-$1,000	$ 69.00	$58.84	72.1
$ 1,000-$1,999	$ 84.00	$53.01	75.1
$ 2,000-$2,999	$110.00	$57.92	77.1
$ 3,000-$3,999	$123.00	$50.09	69.9
$ 4,000-$4,999	$136.00	$42.25	64.0
$ 5,000-$9,999	$147.00	-$ 9.25	25.0
$10,000-And Up	$159.00	-$49.33	--

Source: GCCA, Status and Needs Survey, 1971, Figures were computed from GCCA data.

The percentages included in column (c) are crude estimates based upon grouped data. They were computed based on the assumption that all cases were uniformly distributed within each income category -- an assumption which might not be valid. Nonetheless, the disparity between payments as a percentage of income and the ideal payment of 25 percent of income is significant. In general, housing for the least well-off takes the greatest percentage of income. As was indicated in Part 1, the median income for elderly persons in 1974 was $4,848. In 1971 it was somewhat less than this. Table 2.5 reveals that, even at the median, 64 percent of elderly households were paying in excess of 25 percent of their incomes. Clearly, the present supply of housing is too costly for most elderly. It thus forces trade-offs between shelter and other necessities.

In summary, it appears that present housing options for the elderly are inadequate in terms of each of the factors cited above. The present dwellings in which the

elderly reside do not reflect the preferences of almost half the elderly population. Moreover, the extent to which particular housing types are widely available is inadequate in many regions of the state. Finally, current housing is generally too costly for most elderly households. Responses to these inadequacies are presented in the following section.

2.3 Public Responses to Inadequacy

There are two possible responses to the inadequacy of housing options available to the elderly. One response would provide elderly households with new or different housing units. The other response would make the current housing of the elderly more adequate.

Response 1

Direct Assistance for New Housing

Most government housing programs provide direct assistance for new housing. (Government-sponsored rehabilitation programs are a major exception. See Response 2 on following page). Under this approach an elderly household must move from its current residence to another to obtain more suitable housing.

Federal subsidy programs have taken three main forms. The first is low rent public housing. Under the low rent public housing program, the Department of Housing and Urban Development (HUD) financed housing developments built and managed by local housing authorities. Eligibility criteria for occupancy have enabled the program to serve persons with very low incomes. Over 16,000 units in approximately 98 cities which utilize this type of assistance have been built in Minnesota.

A second type of assistance for new housing has been in the form of below-market-interest-rate loans. The Section 236 program-discontinued by HUD in 1973-the Section 202 program for the elderly and handicapped, and the Section 515 Rural Rental Housing Program operated by the Farmer's Home Administration (FmHA) provide interest subsidies to developers of housing for low and moderate income persons. This, in turn, allows developers to reduce rents below normal market levels.

There are some 78 Section 236 developments for the elderly throughout 53 cities

in the state, and they contain 3,603 units. The Section 202 program has financed 16 developments in 11 Minnesota cities containing a total of 1,425 units. Finally, the FmHA Section 515 program has been a major provider of housing in the state. Targeted at towns with populations below 10,000, some 170 developments containing 1,475 units had been financed in the state by the end of 1975. (Units in these developments are not specifically designated for the elderly, though a high proportion of tenants are elderly).

The third major type of federal housing program takes the form of rent subsidies. Qualifying tenants pay a given percentage of their income for rent (usually between 15 and 25%). Landlords are then reimbursed for the difference between tenants rent payments and the unit rental. The major HUD program at the current time -- the Section 8 Housing Assistance Payments Program -- utilizes this form of subsidy. Rent subsidies can be tied to newly constructed, substantially rehabilitated, or HUD -- approved existing housing units. In Minnesota, it is administered by the HUD Area Office. The Minnesota Housing Finance Agency has received a set-aside of new construction/substantial rehabilitation funds to use in conjunction with developments it finances.

These forms of subsidy for new housing may affect housing variety. In areas where the variety of housing types is limited, these programs may have the effect of increasing the number of units available to elderly as well as increasing the variety of such units. Where variety in available housing types already exists, government housing programs may simply increase their supply. As most government programs aim at low and moderate income households they provide options for most elderly households but not those at the lowest income levels.

Some government programs also incorporate special design components to meet the particular needs of the elderly. However, most of these units are compatible only with certain minor physical impairments which occur with age. They do not meet the needs of the semi-dependent elderly who require some additional care but who do not yet require institutionalized care. In addition, some subsidy programs such as those

financed by the Farmers Home Administration do not incorporate special design characteristics for elderly tenants.

Due to funding constraints, a limited number of subsidized units have been built in Minnesota. Appendix 4 shows the location of subsidized units for the elderly in Minnesota. Appendix 5 indicates the total number of elderly housing units built under the major subsidy programs.

Indirect Assistance for New Housing

Minnesota has provided indirect assistance for new housing through its tax structure. State law encourages provision of subsidized housing by providing property tax abatements for housing financed by direct federal loans, by federally insured loans pursuant to Title II of the National Housing Act, or by the Minnesota Housing Finance Agency. Property taxes on housing financed by HUD or MHFA are based on 20% of assessed value (as compared with 40% of assessed value for conventionally financed housing). Property taxes on housing financed by the Farmers Home Administration are based on 5% of assessed value.

Response 2

Direct Assistance for Existing Housing

Government housing programs also provide assistance to make the units in which elderly households currently reside more adequate. Government rehabilitation programs include grants and low interest loans to elderly persons who need assistance in meeting code standards, insulating their homes, or in modifying their housing to make it compatible with certain mobility or activity limitations.

The Minnesota Housing Finance Agency provides FHA Title I home improvement loans at below market interest rates to qualifying owner - occupants. The Agency also administers a home improvement grant program. In 1976 the state legislature appropriated $9 million for grants of up to $5000 to households with incomes below $5,000. At least 50% of the grants must be made to senior citizens.

There are a number of local programs which also help to improve the physical adequacy of housing. Community Action Agencies administer winterization programs for low income households. These programs provide for installation of storm doors and windows, attic insulation, and ancillary repairs to roofs and walls. Labor and materials are often donated or provided at low cost.

A number of housing and redevelopment authorities administer housing rehabilitation programs in addition to those funded by MHFA. These rehabilitation programs are generally funded through Community Development Block Grants or through independent sales of rehabilitation bonds (in larger cities).

Indirect Assistance for Existing Housing

Some programs operate indirectly to make the existing housing of elderly more adequate. The provision of services is one such approach. Services fall under three groups: (1) community-based commercial services; (2) community-based social services; and (3) in-home services.

Proximity to commercial services such as shopping, medical offices, and public transportation is extremely important if elderly persons are to remain independent. Problems of adequacy arise when these services are not nearby or require a tremendous effort to use. Responses to the lack of adequate community services have been mixed. In some small towns organizations have sought to encourage development of more commerce for the benefit of all residents. In other areas, especially the Twin Cities Area, efforts have been made to put a number of commercial services "on wheels". Attempts to develop more comprehensive community-based commercial services have had little impact on the elderly. Those elderly households which are fortunate enough to reside near such services are generally more adequately housed than those who are not located near such facilities.

Community-based social services function as secondary supports for elderly individuals with differing levels of competence. Nutrition programs under Title VII of the Older Americans Act, senior centers, golden age clubs and medically-oriented senior services all help to maintain those elderly who have varying psychological,

social or health needs. Such services are distinguished from primary or in-home services because they require the elderly persons to participate in the community, outside of his or her own home. In addition to providing certain medical and nutritional goods, services such as counselling and information and referral networks are also provided. It is felt that without them, many elderly would find it either impossible to remain in their homes or would become so isolated from the community that their quality of life would deteriorate substantially.

In many cases, provision of in-home services is essential if an elderly person is to remain in a non-institutionalized setting. Sorts of services provided can include home-delivered meals, homemaker services, home-health services, chore services, neighborhood monitoring services, and friendly visitors. In-home services focus on the health and well-being of elderly persons who are suffering from substantial physical, psychological or social impairments. The person who can still function within his or her home, but is unable to prepare a meal, for instance, can be well-served by a home-delivered meal.

In some cases, the current housing of elderly persons is inadequate solely because it is too expensive. The tax system can respond to make housing more affordable to the elderly. Property tax relief directly affects housing costs. Income tax relief, by increasing disposable income indirectly, makes current housing more affordable to elderly persons.

All elderly Minnesotans -- both owners and renters -- benefit from several Minnesota tax laws. The low income credit of the state income tax reduces the tax burden on the elderly and thus indirectly increases income available for housing-related expenses. This credit is granted to offset the tax liability of qualifying individuals. The tax is forgiven based upon household size and income. Table 2.5 indicates the maximum income levels for which income tax will be forgiven. For example, a single person household earning $5,000 dollars would only be taxed on $600 of income.

TABLE 2.5

Tax Forgiveness Levels Under the Low Income Credit

Number in Household	Forgiveness Level
1	$ 4,400
2	5,200
3	6,000
4	6,700
5	7,300
6 or more	7,800

Source: Minnesota Tax Guide, 1976, Department of Revenue

Property tax relief for the relief for the elderly takes two major forms. The first is the Income Adjusted Homestead Credit. This "circuit breaker" provision replaces an earlier senior citizens and disabled persons income-tax credit. It also replaces the renter's credit. The income-adjusted homestead credit provides for payment of a state credit for that portion of property taxes exceeding a prescribed percentage of income up to a maximum allowable credit. In general, elderly persons pay no more than 1-1 1/2% of their income for property taxes under the law. For renters, 20% of rent payments are counted as property taxes. The potential benefit of this credit to the elderly may be limited by two factors: First, property taxes must be paid in full, and are only refunded after payment. Thus, substantial cash outlays are still necessary. Second, obtaining the credit involves filing an additional schedule with one's income tax return. This itself can be a substantial obstacle to many elderly persons who would not otherwise be required to file an income tax return.

The Special Property Tax Credit freezes homestead property taxes when the homeowner reaches age 65. The Tax Freeze is tied to income. Persons earning up to and including $10,000 receive 100 percent of the difference between their base tax and the current tax. For each additional $500 in income over $10,000, the credit is reduced by 5 percent until it is eliminated for elderly persons with incomes of $19,000 or more. The current tax is reduced by the amount of the income-adjusted

homestead credit before use in the calculation of the freeze credit.

Summary

The approaches which have been outlined here represent major ways in which attempts have been made to improve the adequacy of housing for the elderly. While these approaches have had some impact, they have not been comprehensive enough to meet the needs of a significant number of elderly households. Such activities as rent subsidies or tax relief have aimed at providing housing for independent elderly households or households which have only minor impairments. Those elderly households with greater impairments have received some assistance through services and provision of subsidized units designed to meet their special needs. However, more techniques are needed to help the semi-dependent elderly who need more care than is provided in currently available alternatives but who do not require institutionalization in a nursing home.

Part 3: Potential Housing Options

3.1 Introduction

The provision and expansion of options under each of the responses described above should serve to assure a continuum of housing alternatives from housing for independent households to housing for dependent households. There are a number of ways in which the continuum of housing options available to the elderly can be made more complete. Some options have been proposed and are being tested in certain areas. (Brief summaries of innovative options available in Minnesota and other states appear in the appendix). Among these options are the following:

Options which aim principally at the provision of new types of units

1. Congregate housing facilities which integrate services and meal provision with individual apartments;
2. Special housing programs for the elderly which are compatible with rural areas or small towns;
3. Expanded use of "communities" of mobile homes;
4. Intergenerational housing arrangements.

Options which aim principally at making current units more adequate:

5. Expanded in-home services;
6. Housing annuities to increase incomes while enabling elderly persons to remain in their homes.

3.2 Congregate Housing

Congregate housing is a term which has taken on numerous meanings over the past few years. It has come to mean everything from boarding houses to skilled nursing facilities. For this discussion, congregate housing means housing where individuals live in private dwelling units which share some common facilities, participate regularly in a group dining program, and receive social and medical services on the site. These services are available to all who need them but do not have to be used by all residents.

In other words, congregate housing can be defined as a form of intermediate housing for those elderly who require some care and assistance, but who do not necessarily require full-time nursing care. Congregate housing seeks to provide many of the services which are found in a nursing home while still preserving the person's independence. Drugs can be dispensed, home-health aids can assist residents with hygiene and bathing, housekeepers can assist with domestic chores and so forth. These services may be tailored to the special needs of individual elderly occupants.

No facility in Minnesota accurately reflects congregate housing as described above. However, several facilities have been developed within the Twin Cities area which approximate many of the characteristics of congregate housing. Congregate facilities in the Twin Cities area are generally large scale (over 100 units) and generally are associated with nursing homes. The Ebenezer Tower in Minneapolis is probably the most visable of these facilities. It provides shared meals and in-home services. Medical services are provided in the nursing home which connects with the Tower. Because the provision of medical services requires that persons move out of the Tower and into the affiliated nursing home, the degree to which the Tower can be viewed as a full-fledged congregate facility is limited.

However, the Ebenezer complex as a whole provides a broad range of care.

It should be noted that the provision of this type of comprehensive care is difficult to replicate in many areas of the state. The Ebenezer complex is typically an urban phenomenon. However, at least some of these functions have been achieved in other facilities. The most notable example of a congregate facility outside of the Twin Cities area is found in Ely (population 5000). Ely's senior citizen housing provides units for the well elderly (row-houses and special built apartment buildings), the dependent elderly (congregate facility) and the ill-elderly (a nursing home-hospital). The congregate facility is located near the nursing home and hospital, providing close proximity to skilled medical care. All residents participate in one congregate meal per day.

In sum, congregate housing is geared toward those elderly persons who need some sort of constant monitoring or assistance but are still able to function semi-independently. These people may be very old, or may have chronic health or mobility impairments which limit their activities and make housekeeping and food preparation difficult. They may require medical assistance periodically but do not require full-time skilled nursing care.

At this time, the demand for congregate facilities and economic feasibility of developing such facilities is unknown. Research should explore financing, marketing, and design, and service considerations involved with producing congregate facilities. It is possible that congregate housing could provide an alternative where none exists--an alternative which could lead to more efficient use of long-term nursing care facilities as well.

3.3 Special Housing Programs for the Elderly which are Compatible with Small Towns

The needs of elderly in small towns and rural areas, as well as the needs of urban and suburban elderly for increased housing options within their communities, point to the desirability of developing housing alternatives suitable for these areas. In general, these alternatives would have to be developed with limited numbers of units. They would be appropriate for small towns where larger developments

might not have extensive markets. They would also be appropriate for urban and suburban neighborhoods where most available land is in scattered sites and larger developments would require removal of existing housing or would be otherwise undesirable.

There are a number of potential options suitable for small towns or scattered sites in suburban areas. The FmHA currently finances apartment buildings with as few as 8-10 units in its Rural Rental Housing Program. Other low-cost options could include row houses or detached, low-maintenance units such as Affordable Homes. Large older homes could be remodeled or new buildings could be constructed to include three or four efficiency apartments which share common living rooms but offer private baths, bedrooms, and kitchens to residents. Such intermediate housing is currently available in Philadelphia.

As with any other housing for elderly persons, it is important that this housing have reasonable access to services. It is possible that in some small towns informal service providers, such as churches, might be able to fulfill the service needs of a limited number of elderly residents without the necessity for public transportation systems or formal social service programs.

3.4 Expanded use of "Communities" of Mobile Homes

It has been suggested that mobile homes could provide suitable housing for elderly persons in rural areas. Elderly mobile home "communities" could provide a neighborhood setting in which common needs could be met. These complexes could accommodate the desire of many elderly to own their own homes. Note that in order for mobile homes to be a viable alternative for the elderly services must either be provided on the site or in close proximity. Mobile homes might be desirable alternatives in areas where long-term population trends are very uncertain.

3.5 Intergenerational Housing Arrangements

While some persons prefer living with people of their own age, many are not willing to isolate themselves from other generations. Some elderly persons might be interested in intergenerational housing arrangements. These can be planned to

accommodate the needs of both elderly and non-elderly persons and can take several forms. One approach would involve the subdivision of a single family home to include a small apartment. A younger person could then be offered free or reduced rent in exchange for services such as meal preparation or housekeeping. While such an arrangement may present an alternative to some elderly households, it is clearly viable only for elderly homeowners who can offer shelter in return for services.

Another approach to intergenerational housing would involve creation of "intentional families"--living groups from several generations in which resources, time, skills and income are shared. This alternative may fulfill the needs of some elderly who wish to maintain contact with other generations in a quasi-family. The number of elderly persons who would desire such living arrangements, however, may be small.

3.6 Expanded In-Home Services

It is clear the the choice of housing for many elderly people is bound up with their ability or inability to maintain independence. Earlier discussion has emphasized that many households cannot continue to function in the community without the assistance of commercial, social, and in-home services. One promising area to be developed with respect to housing is the purchase of home maintenance contracts. These service contracts have been tried in several areas of the country, and operate in a manner similar to health maintenance organizations. They attempt to duplicate for homeowners the types of services which are commonly provided in apartments. Roofs, storm windows, exterior paint, plumbing, and other maintenance needs are covered by maintenance contracts. Elderly persons pay a set fee and then are eligible for maintenance services free of charge or for nominal fees.[9]

3.7 Housing Annuities

The above discussion has concentrated upon physical housing alternatives and the provision of social services. The housing annuities alternative centers upon the economic needs of the elderly. For many elderly persons, the primary need is

more money. Housing annuity plans would allow elderly persons to increase their incomes by extracting equity from their property while still remaining in their homes.

Dr. Yung-Ping Chen of the UCLA Graduate School of Management has written extensively on the housing annuity concept.[10] The housing annuity plan he proposes would involve a voluntary financial arrangement, whereby an elderly homeowner could convert the equity in his home into a life-long flow of income (annuities) while being assured life-long tenure in his house. Title to the house would revert to the financial organization that issues these annuities upon the death (and that of his spouse, if married) of the homeowner.

The financial organization would make a large number of purchases in order to spread the risks of a life-long payment. The pool of participants would have to be large enough to compensate for varying lifespans.

Another annuity proposal, advocated by professor Jack Guttentag of the Wharton School of the University of Pennsylvania, divides equity into two components, right of occupancy and residual equity. The first component allows a person to retain the right to reside in his or her home until death while the second component can be sold to another party. Guttentag has also proposed the use of non-repayable loans to increase elderly incomes. Such loans would be secured by a mortgage, but would be repayable only upon the death of the borrower, or prior sale of the property.

A final proposal has been put forth by Robert Trumble, Economist and Branch Chief of the National Institute of Health. The property contract annuity he proposes would involve a government guarantee of the annuity on up to 80 percent of the appraised property value. If the property were to appreciate in value, a second annuity could be purchased on the basis of this increased value.

These proposals would appear to offer significant advantages to elderly homeowners who need to increase their incomes. Monthly payments of several hundred dollars could be added to income. However, a housing annuity plan would almost certainly meet with some consumer resistance. Attitude surveys in California in-

dicate that over 50 percent of elderly persons hope to leave their homes as an inheritance.

More research is needed to explore this option and to assess the demand for and feasibility of a housing annuity program in Minnesota.

Part 4: Larger Policy Considerations

4.1 Implicit Policies

Examination of existing housing options for the elderly indicates that they are not sufficient in terms of the magnitude of need which exists and they are not comprehensive enough in terms of the speical needs and characteristics of the elderly. There is also no consistent set of goals among housing programs. Therefore, it is difficult to discern a coherent state or federal policy towards housing for the elderly.

This paper has outlined several housing alternatives which might be pursued to improve housing for the elderly. It is important that their long-term implications be considered. Each alternative policy involves trade-offs among other important goals. These considerations should be remembered in any decision-making process. The discussion which follows explores the consequences of alternative policy directions.

4.2 Deinstitutionalization of the Elderly

If one clear policy direction can be discerned from existing federal programs for the elderly, it is that government should seek to minimize the need for institutional care of the aged. This goal permeates a variety of programs from service programs to income maintenance programs. Title XX of the Social Security Act contains specific language with regard to minimizing unnecessary institutionalization.

Most federal housing programs have not concentrated on providing alternatives to institutionalization for those who require intermediate levels of care. Low rent public housing for the elderly is specifically designated for individuals who can maintain themselves independently. Intermediate housing for semi-dependent elderly households has been developed to a much lesser degree. If minimization of unnecessary institutionalization of elderly persons is a desirable policy goal, then housing should be provided which meets the needs of semi-dependent elderly persons.

Such a policy could be operationalized through construction of more true congregate housing facilities and increased emphasis on prosthetic housing types. Prosthetic environments consider the physical, psychological, and social impairments of elderly subgroups, and designs are developed to minimize these impairments and maximize independence. This can be done in a variety of settings and housing forms. Barriers can be removed, colors can be used to reduce sources of confusion, appliances can be designed for persons suffering from arthritis and other ailments. These concepts have been incorporated only on a limited basis into most housing designed for the elderly. For example, most bathrooms are designed with barrier-free showers instead of bathtubs.

Implementation of such a policy may conflict with other desirable goals. One of the greatest areas of conflict may lie in the marketability of special-built units for the general population. Housing developments are costly ventures which carry with them certain risks. One way of minimizing risk is to construct housing which is suitable for a variety of household types. A policy which emphasizes special-built, intermediate or congregate housing might thus narrow the general marketability of housing produced and hence increase risks.

4.3 Maintenance of Elderly Persons in Their Homes

A policy implicit in several state laws and programs is that elderly households should be able to remain in their homes as long as possible. As discussed above, state tax laws aim specifically at reducing the burdens of homeownership for elderly households. State sponsored home improvement programs also assist elderly persons to remain in their homes.

However, as was shown in Part 2, not all elderly homeowners prefer to remain in their homes. To the extent that present tax arrangements make other forms of housing non-competitive with the single-family house, the needs of significant numbers of elderly households may go unmet. Full-scale pursuit of the goal of maintaining elderly people in their own homes may have the effect of making the single-family home too attractive to the elderly in comparison with other housing forms.

This situation has two important implications. First, it may artificially depress demand for other forms of housing such as congregate facilities because such housing cannot offer many of the economic advantages of the single-family home. Secondly, it may encourage underutilization of the housing stock by elderly households. The effect of such a policy, then is to keep off the market housing which might be more suitable for families. It should be noted that among the potential options listed above, the housing annuity aims specifically at keeping elderly persons in their houses. Implementation of such a proposal might thus further "lock in" elderly households in single-family homes. In-home services may have similar effects.

4.4 Location of New Elderly Housing

Another area of consideration centers around the placement of new housing units. Because of the structure of government subsidy programs, it is often difficult to construct subsidized housing developments in very small towns. This raises issues which are of particular importance to Minnesota, which has large numbers of elderly persons living in small towns or rural areas.

Perhaps the most important implication concerns the way in which the geographical placement of housing affects the social networks on which elderly people depend. Since a continuum of housing options may not be available within individual communities elderly persons may be forced to choose between the extremes of the continuum--single family housing or skilled nursing care--or moving as far as 40-50 miles to a town which can provide needed options or services. This latter action means severing long-standing social relationships in pursuit of adequate housing.

Other considerations tend to counterbalance concerns about disruptive relocations. For example, some small towns cannot support the types and variety of services upon which elderly persons increasingly depend. In addition, the risks of marketing subsidized housing may be increased in small towns. The importance of these factors must be weighed against the disruptive aspects of relocation.

Finally, the location of new elderly housing has an impact on population

movements. By locating in primarily larger towns and cities, elderly persons from outlying areas are encouraged to move because such housing alternatives are not available in the immediate vicinity. This can have the effect of reinforcing population growth in some areas while encouraging population decline in others.

4.5 Cost Effectiveness

Various policy alternatives may also be evaluated in terms of cost effectiveness. The constraint on available resources means that it is important to identify those circumstances in which a particular option would be of maximum benefit for a given level of expenditure. For example, in-home services might be best suited to very small communities with low concentrations of older persons where new housing would be expensive to build and the number of persons assisted would be relatively small.

Part 5: Recommendations for Further Research

The discussion in Parts 1-4 has pointed to a number of areas where further research is necessary to support development of policies and programs related to housing for the elderly. These areas are discussed briefly below.

5.1 Data Base Development

Adequate information is essential for the development of policy and programs related to housing for the elderly. Thus, important gaps in information about the elderly, their current housing status, and their housing needs and preferences should be identified. Methods should be developed for obtaining this information. Since a number of agencies can make use of this information, efforts will be made to coordinate with other agencies in developing and implementing survey tools and other techniques to obtain needed information.

5.2 Impacts of Elderly Housing Upon the Housing Stock

Construction of special housing for the elderly impacts upon the housing stock as a whole. Understanding the nature and extent of the impact will assist in the development of housing policy and in the development and implementation of housing programs. For example, it is important to know the extent to which construction of elderly housing actually "frees up" suitable housing for families. Do persons moving

into housing for the elderly come from single-family or multi-family housing, owned or rented housing, standard or substandard housing? Understanding the geographic range of moves will help define the housing markets served by elderly housing developments. Studies should be designed to answer these questions in a manner conducive to policy and program development.

5.3 Policies, Laws, and Programs Impacting on Housing for the Elderly

A multitude of policies, laws, and programs impact either directly or indirectly on the housing status of the elderly. These policies, laws, and programs should be inventoried and summarized. Their individual and aggregate impacts should be assessed. Tax laws, land use regulations, building codes, social security and federal and state housing programs should all be considered.

5.4 Strategies to Assist Elderly Persons Obtain Housing Alternatives

An important component of any effort to broaden the range of housing alternatives for the elderly must be to educate elderly persons about available alternatives and help them to obtain them. Strategies should be developed making effective use of the media, senior citizens organizations and other sources with which the elderly are likely to have contact.

5.5 Housing Alternatives Suitable for Small Towns or Existing Neighborhoods

To obtain housing which is suited to their needs, elderly in rural areas or small towns may have to move many miles. Even in some urban or suburban areas, obtaining housing alternatives may require moves which disrupt long-term ties to neighborhoods and friends. Thus, there is considerable need for housing alternatives which meet the needs of elderly persons within their towns or neighborhoods. These alternatives would typically be comprised of small numbers of units; they could be designed to accommodate independent elderly or persons with some impairments. Studies should be designed to assess the technical and financial possibilities and constraints associated with various alternatives. Possible research results could include recommendations for demonstration projects, development of new programs, modification of existing programs, and suggestions for legislation.

5.6 Design to Accommodate Elderly Needs

Housing designed with concern for the physical and psychological needs of the elderly can promote independence and reduce reliance on outside services. Research should be conducted to identify and develop design features which are suitable for certain elderly sub-groups. As a number of organizations are conducting design research, it will be important to coordinate with efforts currently underway.

5.7 Feasibility Study of Housing Annuities

Housing annuities could provide elderly persons with the income necessary to remain in and maintain their homes. A feasibility study of housing annuities should be conducted. Included in the study would be demand estimates, development and assessment of alternative forms of annuity systems, and consideration of actuarial and financial aspects of housing annuities.

5.8 Housing for the Semi-Dependent Elderly

Many elderly persons need housing in which a moderate level of care or assistance is provided. Very little such housing exists in the state at the current time. The feasibility of developing congregate housing facilities and other facilities of this type should be examined. Demand for such facilities should be measured and design possibilities reviewed. Methods should be developed for integrating services into housing facilities. Possibilities for financing should be assessed.

NOTES

1 House File 1137, Section 16(6)(e)

2 Office of State Demographer, Minnesota Population Projections: 1970-2000, State Planning Agency, Division of Developmental Planning, November 1975, p. B-1.

3 U.S. Department of Housing and Urban Development, Estimated 1974 Incomes (unpublished).

4 Minnesota Department of Public Welfare, Unpublished Data Printout. Note: These data were compiled before the supplementary Security Income (SSI) Program went into effect. Thus, current elderly incomes are probably higher than the figure indicates.

5 Louis Gelwicks and Robert Newcomer, Planning Housing Environments for the Elderly, National Council of the Aging, 1974, pp. 46-47.

6 Mid-Continent Surveys, Incorporated, The Status and Needs of Minnesota's Older People, 1971, Governor's Citizens Council on Aging, Minnesota, p. 3-2. It should be noted that many of the estimates used in this report were based upon data gathered by the Governor's Citizens Council on Aging in 1970-1971. Because these data are already six years old, they may be somewhat unreliable. Moreover, the sample from which they were drawn may have been biased toward the low-income elderly, and it may underrepresent those elderly who live in the homes of children or other relatives since such persons are difficult to indentify. In spite of these apparent data limitations, the GCCA survey provides the best overall resource for determining the needs and preferences of Minnesota's elderly.

7 Most of the estimates in this figure were based on percentages reported in the Status and Needs Survey. Yet, because the GCCA survey excluded all elderly who resided in nursing homes, the percentages in the tables were not representative of the entire elderly population. In order to make percentages comparable

in this report, the GCCA figures were adjusted to include nursing home residents. The following table shows the results of these data adjustment for all categories.

Housing Type	Percent of Non-Institutionalized Elderly (GCCA Data)*	Number of Elderly	Number of Elderly as Percentage of Total Elderly Population**
Single Family House	81.1	322,900	75.0
General Occupancy Apt.	11.0	43,800	10.2
Special-Built Apartment	3.9	15,530	3.6
Condominum/Cooperative	-	-	-
Mobile Home	1.3	5,000	1.2
Retirement Hotel	0.5	1,990	0.5
Live with Relatives	2.2	8,700	2.0
Nursing Homes	N/A	32,900	7.5

*Total non-institutional population (1975 est.) 398,158.

**Total elderly population (1975 est.) 430,441.

8 Minnesota Department of Public Welfare. See Also: Minnesota Department of Health, Minnesota Hospitals, Division of Health Facilities, 1976.

9 Such a program is currently operated by Neighborhood Services Inc. of Pittsburgh, Pa.

10 Yung-Ping Chen, Occasional Paper No. 6, A Pilot Survey Study of the Housing Annuity Plan, UCLA, March 1973, p. 2.

APPENDIX

Appendices

Appendix 1: Elderly Population Projections by Sex in Minnesota and Regions, 1970-2000.

Appendix 2: Institutionalized Elderly, Non-Institutionalized Elderly and Total Elderly Households by Region, 1975.

Appendix 3: Number of Nursing and Board and Care Beds by County and Region, 1976.

Appendix 4: Location of Subsidized Housing for the Elderly in Minnesota, 1976.

Appendix 5: Total Number of Units for the Elderly Under Major Housing Programs.

Appendix 6: Selected Housing Alternatives Currently Available in Minnesota.

Appendix 7: The Service Planning Structure and Housing-Related Services for the Elderly in Minnesota.

Appendix 8: Innovative Housing Alternatives for the Elderly in Other States.

Appendix 1:

Elderly Population Projections by Sex in Minnesota and Regions 1970-2000

Region	1970			1975			1980			1985		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total
1	6,704	7,016	13.720	6,914	7,743	14,657	6,932	8,089	15,021	6,863	8,370	15,223
2	3,674	3,414	6,540	4,159	4,166	8,332	4,459	4,606	8,828	4,513	4,972	9,485
3	17,395	20,855	38,250	18,354	23,317	41,671	20,101	26,189	46,290	21,115	28,603	49,718
4	12,000	13,109	25,109	12,949	14,660	27,609	13,324	15,801	29,125	13,391	16,608	29,999
5	8,271	8,496	16,767	9,669	10,142	19,811	10,278	11,273	21,551	10,500	11,932	22,432
6E	6,421	7,252	13,673	6,803	7,803	14,606	7,104	8,372	15,476	7,295	8,919	16,214
6W	4,650	5,138	9,788	4,726	5,568	10,294	4,725	5,910	10,635	4,668	6,138	10,806
7E	5,445	5,472	10,917	5,341	6,385	11,726	6,637	6,960	13,597	6,645	7,300	13,945
7W	8,180	8,913	17,093	9,083	10,301	19,384	9,776	11,374	21,150	10,192	12,246	22,438
8	8,826	10,547	19,373	8,971	11,399	20,370	9,223	12,134	21,357	9,506	12,854	22,360
9	12,269	15,291	27,560	12,625	16,345	28,970	12,887	17,172	30,060	13,059	18,119	31,178
10	19,502	25,487	44,989	20,411	27,659	48,070	21,165	29,714	50,879	21,961	31,206	53,167
11	63,773	99,159	162,932	61,235	102,761	163,996	62,904	108,603	171,570	73,967	124,367	182,762
TOTAL	177,108	230,149	407,329	182,237	248,204	430,441	189,499	266,398	455,897	199,373	257,864	457,237

Source: State Demographer, Minnesota Population Projections 1970-2000

Appendix 1 Continued

Elderly Population Projections by Sex in Minnesota and Regions 1970-2000

Region	1990			1995			2000		
	M	F	Total	M	F	Total	M	F	Total
1	6,651	8,504	17,008	6,360	8,497	16,994	5,914	8,189	16,378
2	4,403	5,064	9,467	4,132	4,967	9,099	3,860	4,713	8,573
3	21,434	29,876	51,310	21,284	30,103	51,387	20,167	29,291	49,458
4	13,163	16,743	29,906	12,768	16,698	29,466	11,891	16,128	28,019
5	10,158	11,929	22,087	9,552	11,433	29,985	8,744	19,524	19,268
6E	7,150	9,150	16,300	6,997	9,112	16,109	6,536	8,807	15,343
6W	4,593	6,212	10,805	4,352	6,113	10,465	3,936	5,768	9,704
7E	6,484	7,321	13,805	6,124	7,052	13,176	5,908	6,849	12,757
7W	10,559	12,878	23,437	10,582	13,066	23,648	10,724	13,305	24,029
8	9,532	13,210	22,742	9,321	13,224	22,545	8,640	12,718	21,358
9	12,969	18,334	31,303	12,809	14,342	27,151	12,296	17,837	30,133
10	22,566	32,221	54,787	22,939	33,027	55,966	22,558	32,970	55,528
11	79,743	131,666	211,409	66,965	115,797	198,334	82,837	135,274	218,111
TOTAL	203,629	295,809	499,438	206,963	303,300	510,263	204,011	302,373	506,384

Source: State Demographer, Minnesota Population Projections 1970-2000.

Appendix 2: Institutionalized Elderly

Non-Institutionalized Elderly and Total Elderly Households by Region, 1975

Region	Number of Institutionalized Elderly Persons[1]	Number of Non-Institutionalized Elderly Persons	Number of Elderly Households[2]	Households as Percent of Total Regional Households	Persons Per Elderly Household
1	1,125	13,532	8,731	28.2	1.55
2	605	7,670	5,363	29.0	1.43
3	2,724	38,947	26,419	24.2	1.47
4	2,108	25,501	16,461	27.2	1.55
5	1,394	18,417	12,193	31.3	1.51
6E	972	13,634	8,882	27.7	1.54
6W	678	9,616	6,561	32.1	1.47
7E	847	11,879	7,961	30.3	1.45
7W	1,405	17,979	11,331	22.0	1.59
8	1,676	18,691	12,926	29.0	1.45
9	1,949	27,021	17,945	25.6	1.51
10	3,441	44,654	29,165	23.4	1.53
11	14,037	149,959	98,597	16.0	1.52
TOTAL	32,961	397,498	262,535	21.1	1.52

[1] This number is arrived at by taking the total number of nursing home beds in each region and multiplying them by the percent of elderly in such beds and the percent of total beds occupied. For the state as a whole, these percentages are: 93% of all nursing home beds are occupied; and, 95% of those occupied beds are occupied by the elderly.

[2] Supplied by State Demographer. State Demographic Predictions, Housing Demand

Appendix 3:

Number of Nursing and Board And Care Beds by County and Region 1976[1]

County and Region	Nursing Home Beds Total	Medicaid Certified SNF Beds***	Medicaid Certified ICF Beds***	Board and Care Beds* (ICF-II)***	Grand Total**
REGION 1					
Kittson	90	76	54	11	101
Marshall	102	0	102	0	102
Norman	97	54	145	57	154
Pennington	52	90	52	164	216
Polk	430	262	466*	192	622
Red Lake	75	0	75	0	75
Roseau	26	60*	86*	48	74
TOTALS	872	542	980	472	1,344
REGION 2					
Beltrami	207	79	22	36	243
Clearwater	167	70	97	14	181
Hubbard	130	0	130	0	130
Lake of the Woods	52	0	52	0	52
Mahnomen	0	40*	0	0	0
TOTALS	556	189	301	50	606
REGION 3					
Aitkin	66	48	66	6	72
Carlton	95	225	186*	50	145
Cook	0	50*	0	0	0
Itasca	186	308*	76	58	244
Koochiching	118	60	98	0	118
Lake	0	50*	0	40	40
St. Louis	1,727	1,162	957	159	1,886
TOTALS	2,192	1,903	1,383	313	2,505
REGION 4					
Becker	320	167	179	26	346
Clay	299	78	221	10	309
Douglas	360	113	299	52	410
Grant	160	42	118	0	160
Ottertail	538	156	753*	215	753
Pope	168	36	183*	61	229
Stevens	114	90	24	0	114
Traverse	128	0	130*	2	130
Wilkin	133	81	52	0	133
TOTALS	2,220	763	1,959	366	2,586

County and Region	Nursing Home Beds			Board and Care Beds* (ICF-II)***	Grand Total**
	Total	Medicaid Certified SNF Beds***	Medicaid Certified ICF Beds***		
REGION 5					
Cass	624	0	624	0	624
Crow Wing	282	50	318*	36	318
Morrison	175	261*	80	7	182
Todd	60	36	141*	72	132
Wadena	194	0	194	22	236
TOTALS	1,335	347	1,357	137	1,472
REGION 6E					
Kandiyohi	321	321	94	154	475
McLeod	207	120	172	11	218
Meeker	156	56	146	68	224
Renville	321	0	321	25	346
TOTALS	1,005	497	733	258	1,263
REGION 6W					
Big Stone	80	0	97	38	118
Chippewa	215	65	150	0	215
Lac Qui Parle	168	60	173	65	233
Swift	92	0	148*	73	165
Yellow Medicine	86	94	125*	68	154
TOTALS	641	219	693	244	885
REGION 7E					
Chisago	265	172	184	51	316
Isanti	188	100	80	59	247
Kanabec	87	50	66	29	116
Mille Lacs	236	252*	26	2	238
Pine	152	110	71	29	181
TOTALS	928	684	427	170	1,098
REGION 7W					
Benton	345	333	35	45	390
Sherburne	280	194	165	79	359
Stearns	318	396*	152	88	406
Wright	444	362	398	56	500
TOTALS	1,387	985	750	268	1,655
REGION 8					
Cottonwood	216	0	251	35	251
Jackson	143	0	211*	0	143
Lincoln	43	120*	30	30	73
Lyon	283	179	188	8	291
Murray	126	0	126	9	135
Nobles	212	25	277*	80	292
Pipestone	157	42	190*	33	190
Redwood	395	40	365	30	425
Rock	118	0	122*	4	122
TOTALS	1,693	406	1,760	229	1,922

County and Region	Nursing Home Beds			Board and Care Beds* (ICF-II)***	Grand Tota
	Total	Medicaid Certified SNF Beds***	Medicaid Certified ICF Beds***		
REGION 9					
Blue Earth	476	219	297	28	508
Brown	317	131	262	27	344
Faribault	273	208	106	48	321
Le Sueur	166	137	122	12	178
Martin	231	189	96	65	296
Nicollet	116	60	136*	20	136
Sibley	111	54	111	15	126
Waseca	199	154	45	0	199
Watonwan	168	0	168	0	168
TOTALS	2,057	1,152	1,343	215	2,272
REGION 10					
Dodge	138	138	0	26	164
Fillmore	362	0	317	0	362
Freeborn	416	257	199	111	527
Goodhue	522	491	78	85	607
Houston	145	63	187*	0	145
Mower	368	295	119	70	438
Olmsted	525	390	222	90	615
Rice	500	427	140	80	580
Steele	280	246	34	41	321
Wabasha	177	158	91	66	243
Winona	324	363*	202	148	472
TOTALS	3,757	2,828	1,589	495	4,252
REGION 11					
Anoka	565	490	75	0	565
Carver	92	0	98	56	148
Dakota	577	360	351	8	585
Hennepin	8,687	5,423	6,535	3,182	12,869
Ramsey	4,091	2,842	2,123	1,324	5,415
Scott	426	170	256	65	491
Washington	492	227	359	94	586
TOTALS	14,930	9,512	9,797	4,729	19,659
STATE TOTAL	33,539	20,027	23,152	8,105	41,644

*Includes convalescent and nursing care hospital beds or ICF certified board and care beds.

**Total Nursing Home Beds plus Board and Care Beds.

***See Appendix 6 for definitions.

[1]Source: Minnesota Department of Health, Directory of Licensed and Certified Health Care Facilities, 1976.

Appendix 4: Locations of Subsidized Housing for the Elderly in Minnesota, 1976

The maps which follow provide the name of the city in which subsidized housing is located, the program(s) under which such housing was built, and the number of units in each town. Housing programs are indicated by the following symbols:

△ - Farmers Home Administration, Section 515

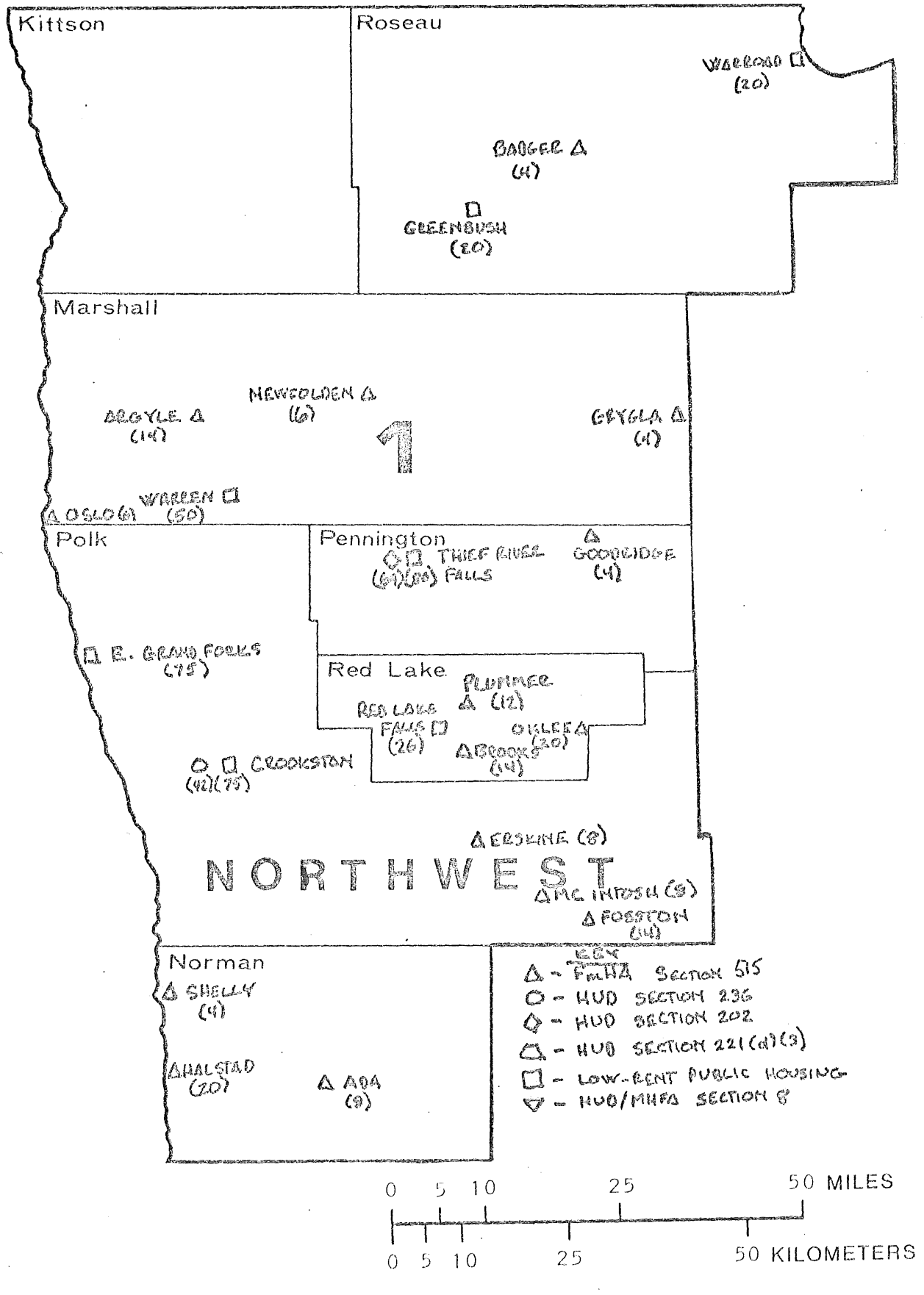
○ - Department of Housing and Urban Development, Section 236

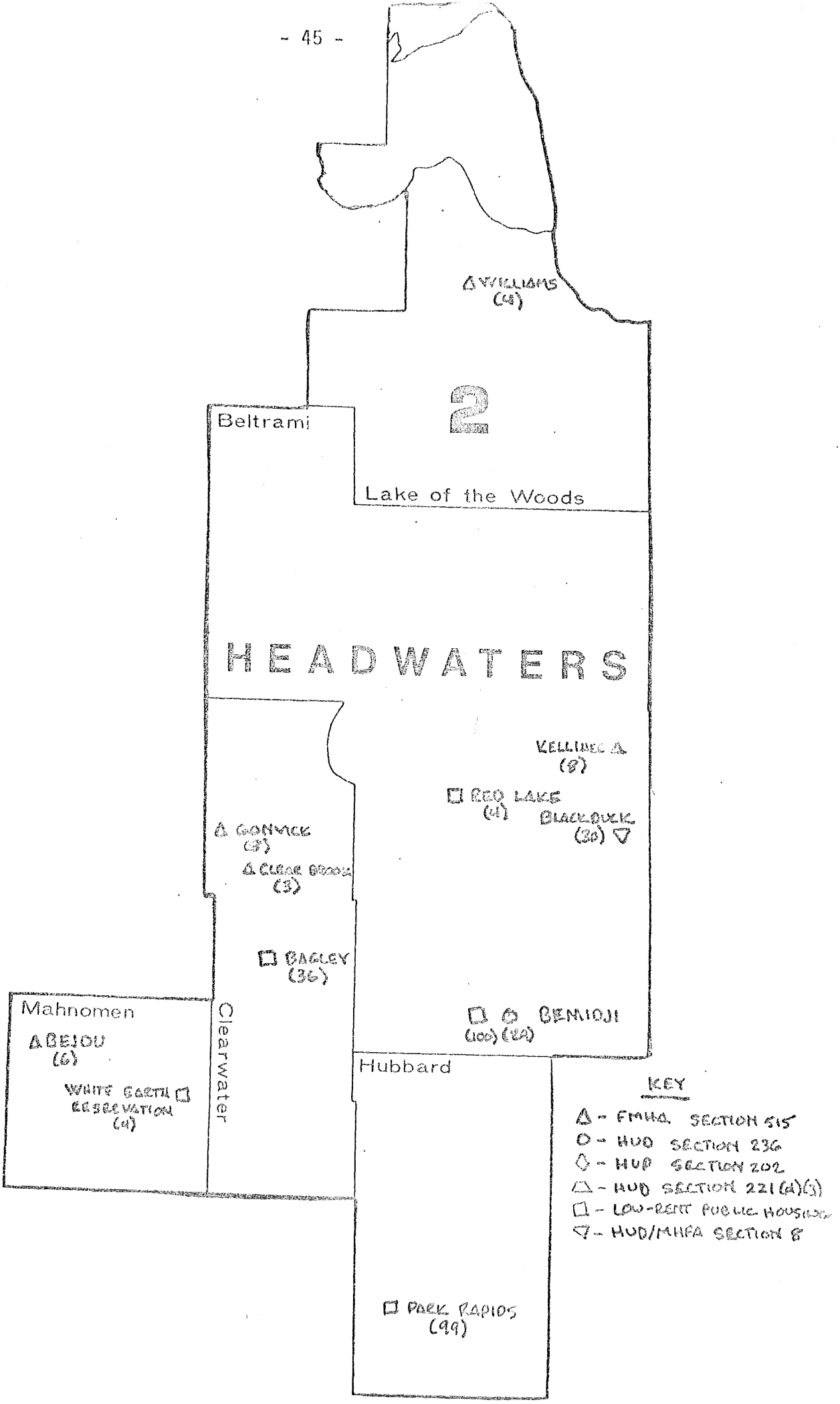
□ - Low Rent Public Housing

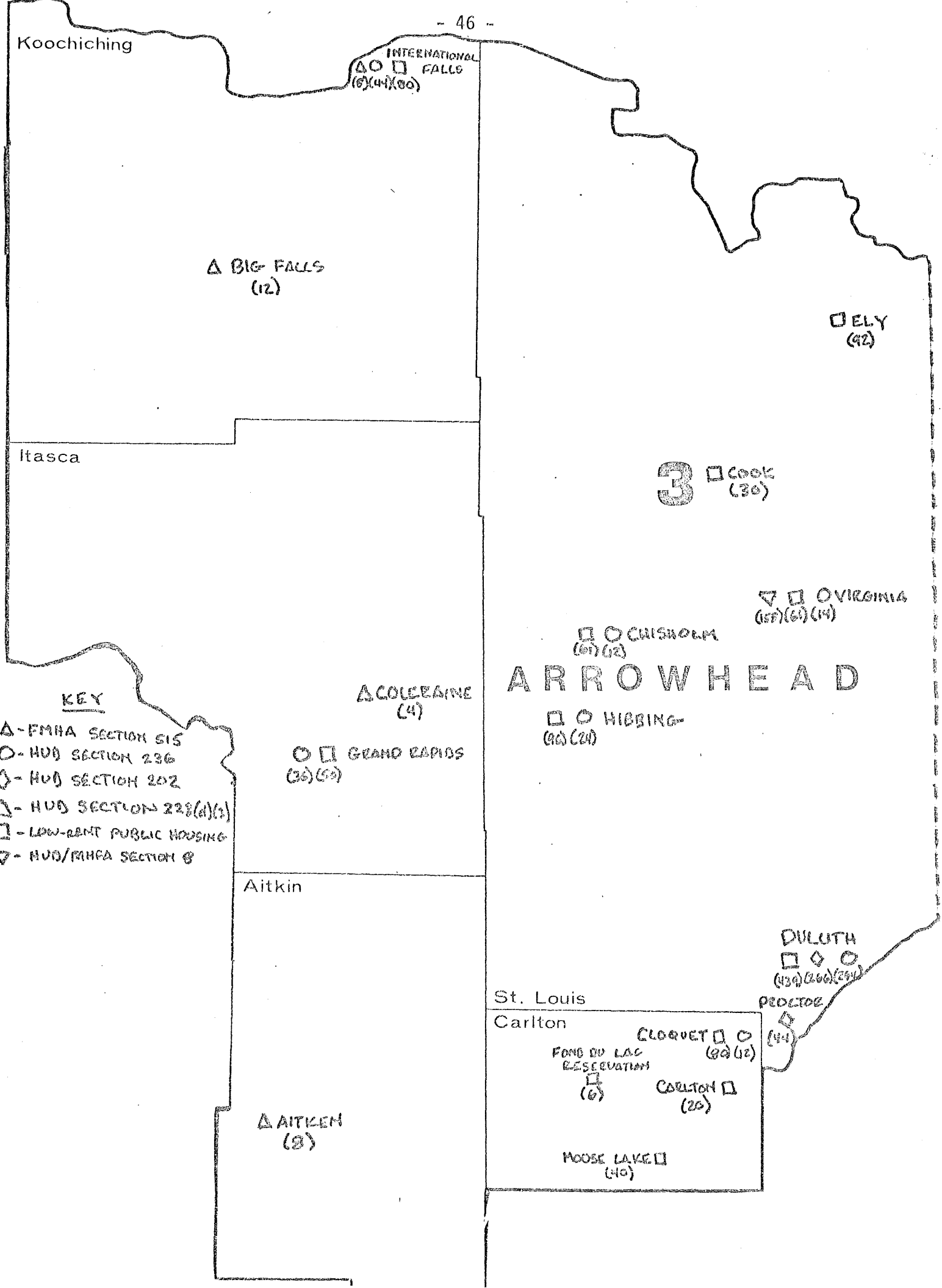
◇ - Department of Housing and Urban Development, Section 202

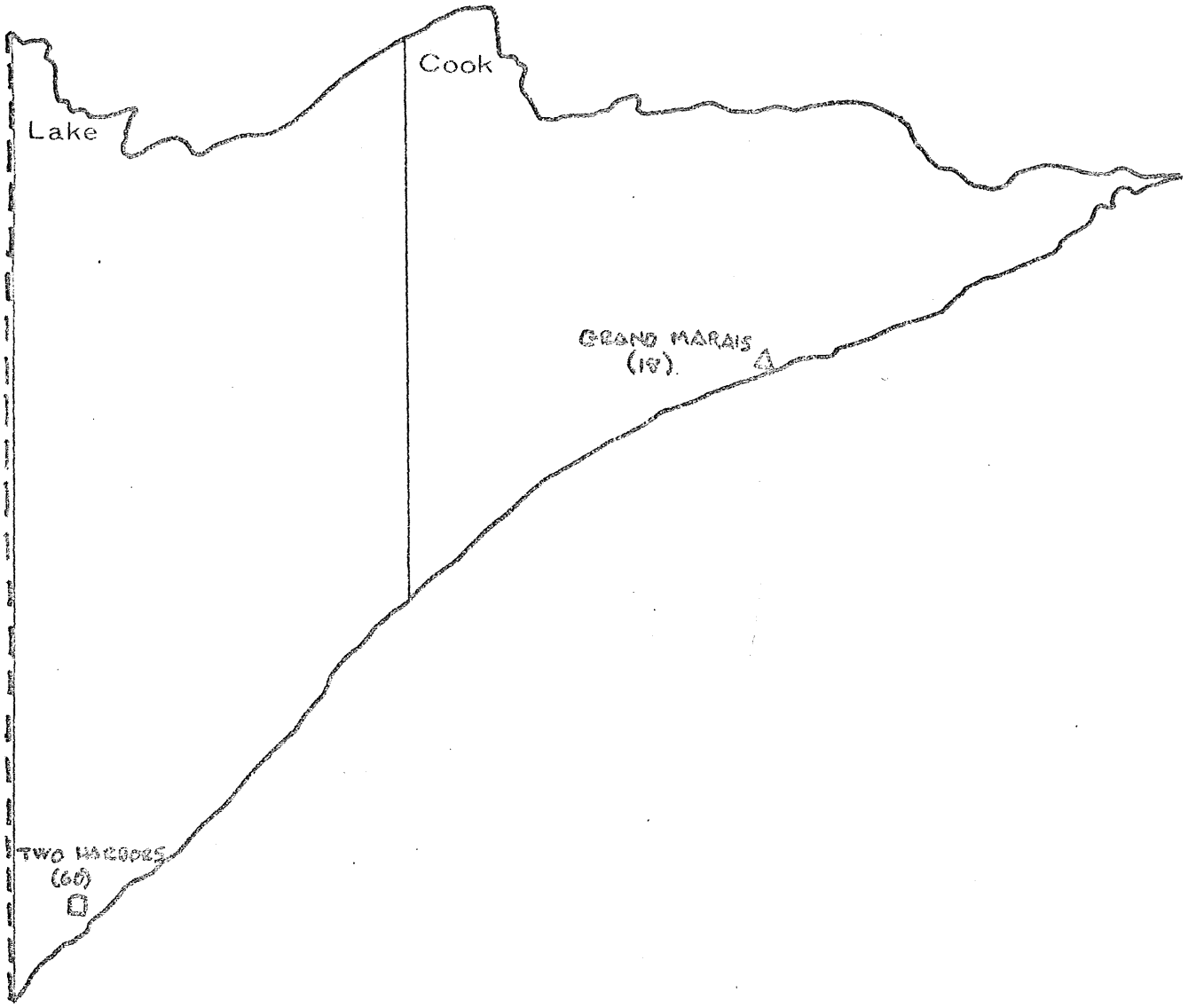
⏢ - Department of Housing and Urban Development, Section 221(d)(3)

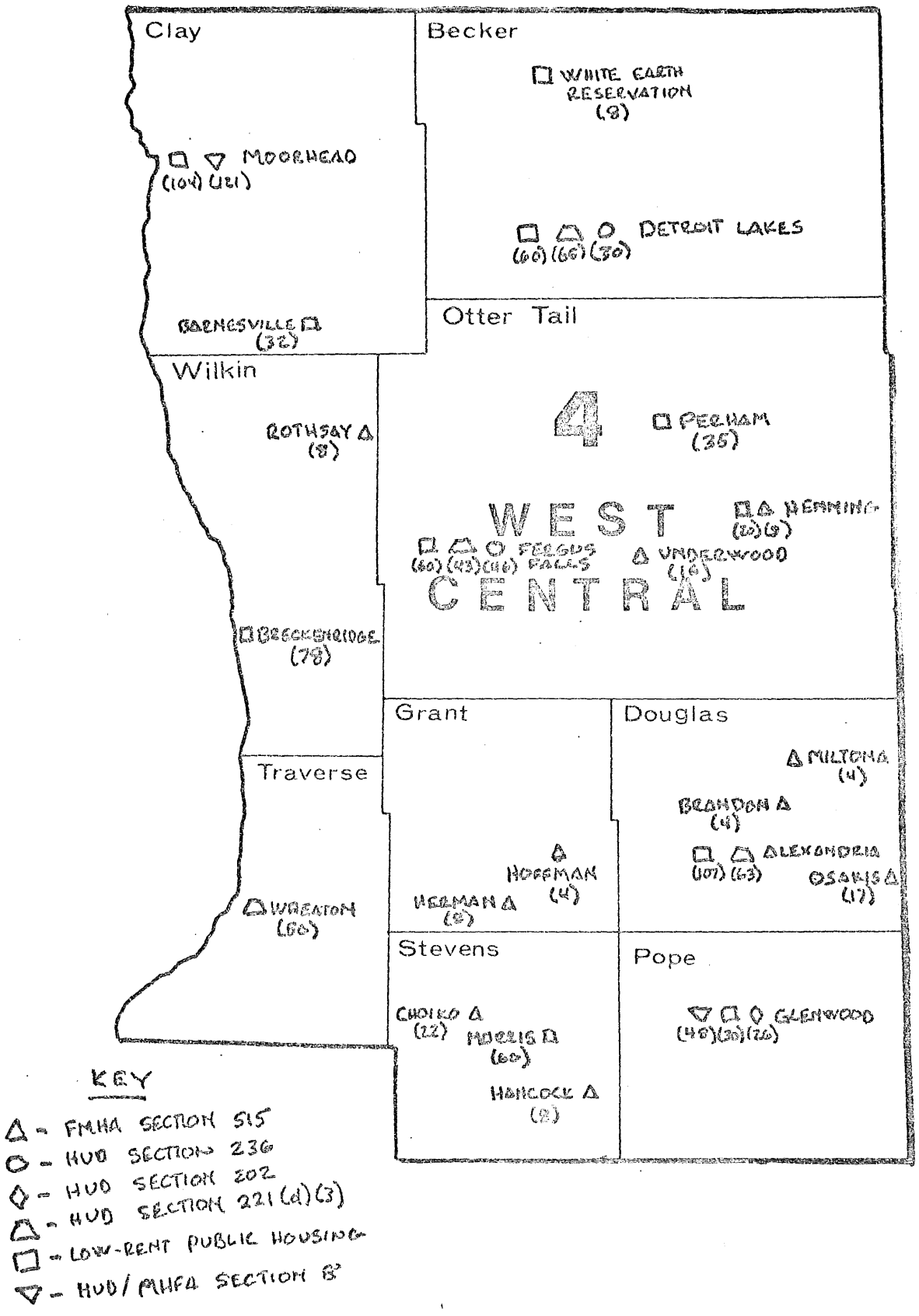
▽ - Department of Housing and Urban Development/Minnesota Housing Finance Agency, Section 8.

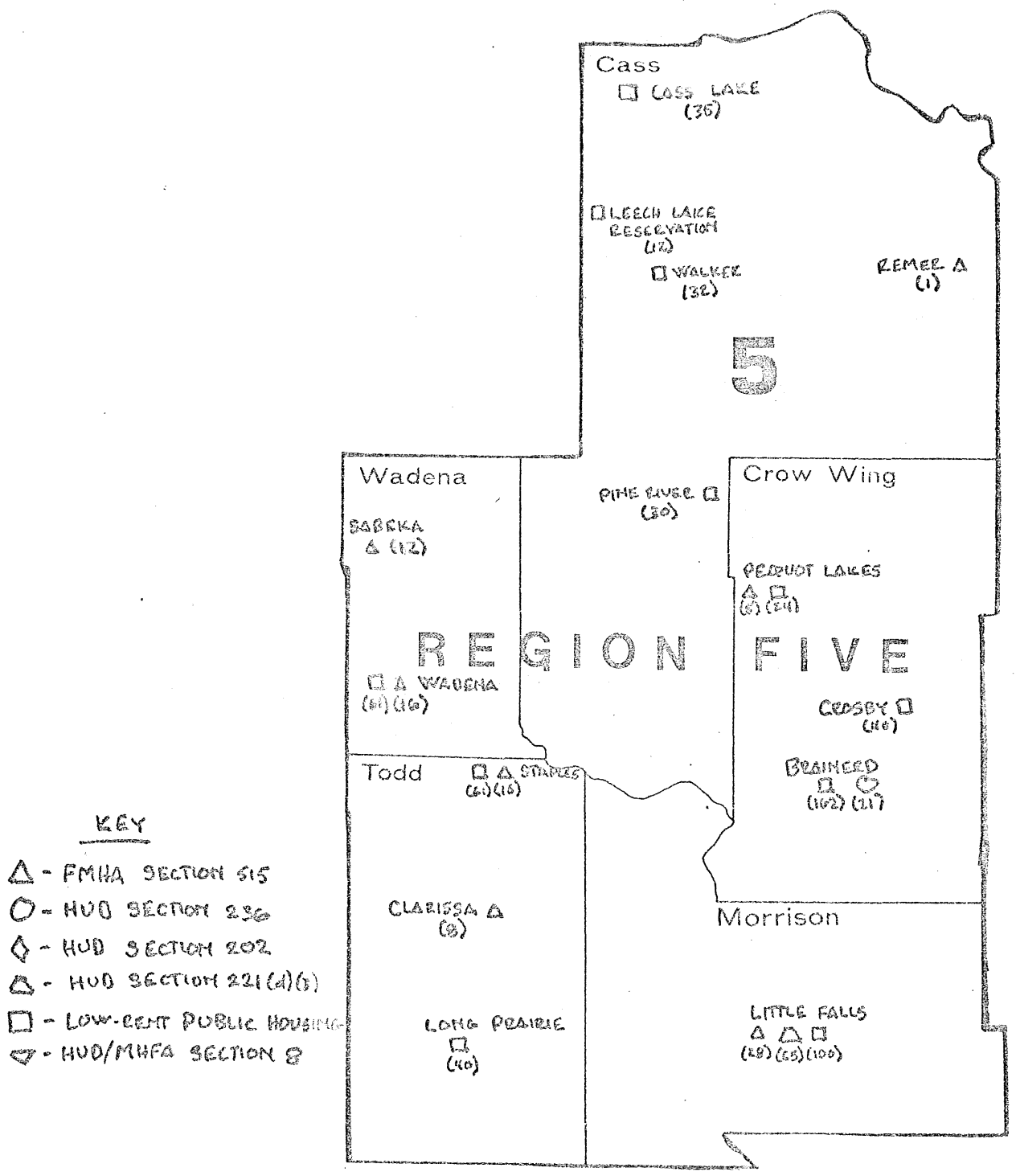

Kittson
Roseau
WARROAD (20)
BADGER (4)
GREENBUSH (20)
Marshall
NEWFOLDEN (6)
ARGYLE (14)
GRYGLA (4)
OSLO (6)
WARREN (50)
Polk
Pennington
THIEF RIVER FALLS (61)(84)
GOODRIDGE (4)
E. GRAND FORKS (75)
Red Lake
PLUMMER (12)
RED LAKE FALLS (26)
OKLEE (20)
BROOKS (14)
CROOKSTON (42)(75)
ERSKINE (8)
NORTHWEST
MC INTOSH (9)
FOSSTON (14)
Norman
SHELLY (9)
HALSTAD (20)
ADA (9)
Δ - FmHA SECTION 515
○ - HUD SECTION 236
◇ - HUD SECTION 202
△ - HUD SECTION 221(d)(3)
□ - LOW-RENT PUBLIC HOUSING
▽ - HUD/MHFA SECTION 8
0 5 10 25 50 MILES
0 5 10 25 50 KILOMETERS

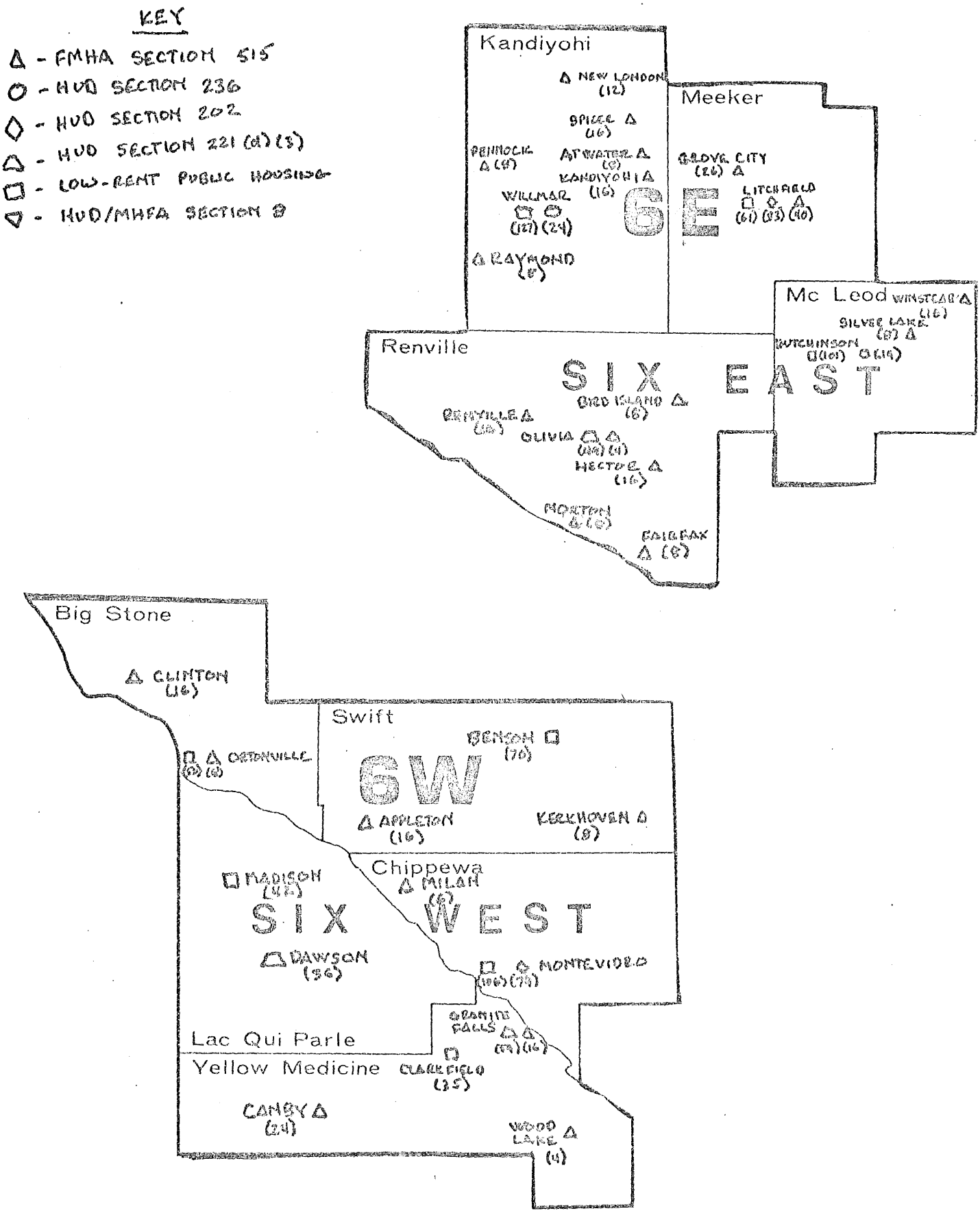

Beltrami
2
Lake of the Woods
HEADWATERS
Mahnomen
Clearwater
Hubbard
△ WILLIAMS (9)
△ KELLIHER (8)
□ RED LAKE (4)
BLACKDUCK (30) ▽
△ GONVICK (9)
△ CLEAR BROOK (3)
□ BAGLEY (36)
□ ○ BEMIDJI (100) (154)
△ BEJOU (6)
WHITE EARTH RESERVATION □ (4)
□ PARK RAPIDS (99)
KEY
△ - FMHA SECTION 515
○ - HUD SECTION 236
◇ - HUD SECTION 202
△ - HUD SECTION 221(d)(3)
□ - LOW-RENT PUBLIC HOUSING
▽ - HUD/MHFA SECTION 8


Koochiching
INTERNATIONAL FALLS
(6)(44)(80)
BIG FALLS
(12)
ELY
(92)
Itasca
3
COOK
(30)
VIRGINIA
(158)(64)(14)
CHISHOLM
(61)(12)
ARROWHEAD
COLERAINE
(4)
HIBBING
(90)(24)
KEY
Δ - FMHA SECTION 515
○ - HUD SECTION 236
◇ - HUD SECTION 202
△ - HUD SECTION 221(d)(3)
□ - LOW-RENT PUBLIC HOUSING
▽ - HUD/FMHA SECTION 8
GRAND RAPIDS
(36)(69)
Aitkin
DULUTH
(134)(266)(254)
St. Louis
PROCTOR
(44)
Carlton
CLOQUET
(80)(12)
FOND DU LAC RESERVATION
(6)
CARLTON
(20)
AITKEN
(8)
MOOSE LAKE
(110)


Lake
Cook
GRAND MARAIS
(19)
TWO HARBORS
(60)


Clay
Becker
WHITE EARTH RESERVATION (8)
MOORHEAD (104) (121)
DETROIT LAKES (60) (66) (30)
BARNESVILLE (32)
Otter Tail
Wilkin
4
ROTHSAY (8)
PELICAN (35)
WEST CENTRAL
PERHAM (20) (8)
FERGUS FALLS (60) (43) (46)
UNDERWOOD (16)
BRECKENRIDGE (78)
Grant
Douglas
MILTONA (4)
BRANDON (4)
ALEXANDRIA (107) (63)
OSAKIS (17)
Traverse
HOFFMAN (4)
HERMAN (8)
WHEATON (60)
Stevens
Pope
CHOKIO (22)
MORRIS (60)
GLENWOOD (40) (30) (20)
HANCOCK (8)
KEY
△ - FMHA SECTION 515
○ - HUD SECTION 236
◇ - HUD SECTION 202
△ - HUD SECTION 221 (d) (3)
□ - LOW-RENT PUBLIC HOUSING
▽ - HUD/MHFA SECTION 8


Cass
LOSS LAKE (36)
LEECH LAKE RESERVATION (12)
WALKER (32)
REMER Δ (1)
5
Wadena
SABEKA Δ (12)
PINE RIVER (30)
Crow Wing
PEQUOT LAKES Δ (6) (24)
REGION FIVE
WADENA Δ (41) (16)
CROSBY (46)
Todd
STAPLES Δ (41) (18)
BRAINERD (102) (21)
CLARISSA Δ (8)
Morrison
LONG PRAIRIE (40)
LITTLE FALLS Δ Δ (28) (65) (100)
KEY
Δ - FMHA SECTION 515
○ - HUD SECTION 236
◇ - HUD SECTION 202
△ - HUD SECTION 221(d)(3)
□ - LOW-RENT PUBLIC HOUSING
▽ - HUD/MHFA SECTION 8


KEY
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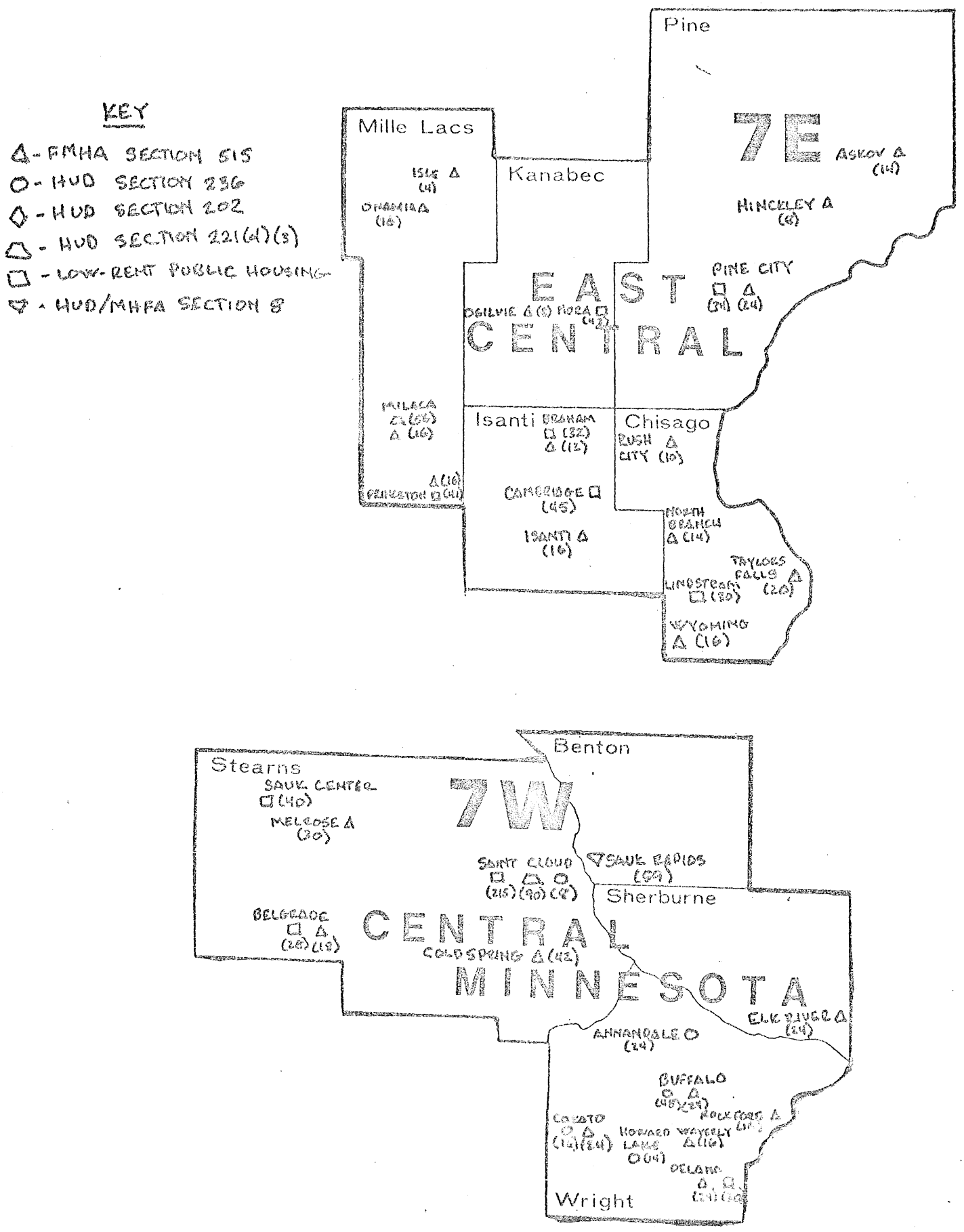
○ - HUD SECTION 236
◇ - HUD SECTION 202
△ - HUD SECTION 221 (d)(3)
□ - LOW-RENT PUBLIC HOUSING
◁ - HUD/MHFA SECTION 8
Kandiyohi
NEW LONDON (12)
SPICER (16)
PENNOCK (8)
ATWATER (8)
KANDIYOHI (16)
WILLMAR (127) (24)
RAYMOND (8)
Meeker
GROVE CITY (26)
LITCHFIELD (61) (33) (40)
6E
Mc Leod
WINSTED (16)
SILVER LAKE (8)
HUTCHINSON (101) (16)
Renville
SIX EAST
BIRD ISLAND (8)
RENVILLE (16)
OLIVIA (49) (4)
HECTOR (16)
NORTON (8)
FAIRFAX (8)
Big Stone
CLINTON (16)
Swift
BENSON (70)
ORTONVILLE (8) (8)
6W
APPLETON (16)
KERKHOVEN (8)
Chippewa
MADISON (42)
MILAN (8)
SIX WEST
DAWSON (56)
MONTEVIDEO (100) (79)
GRANITE FALLS (8) (16)
Lac Qui Parle
Yellow Medicine
CLARKFIELD (35)
CANBY (24)
WOOD LAKE (4)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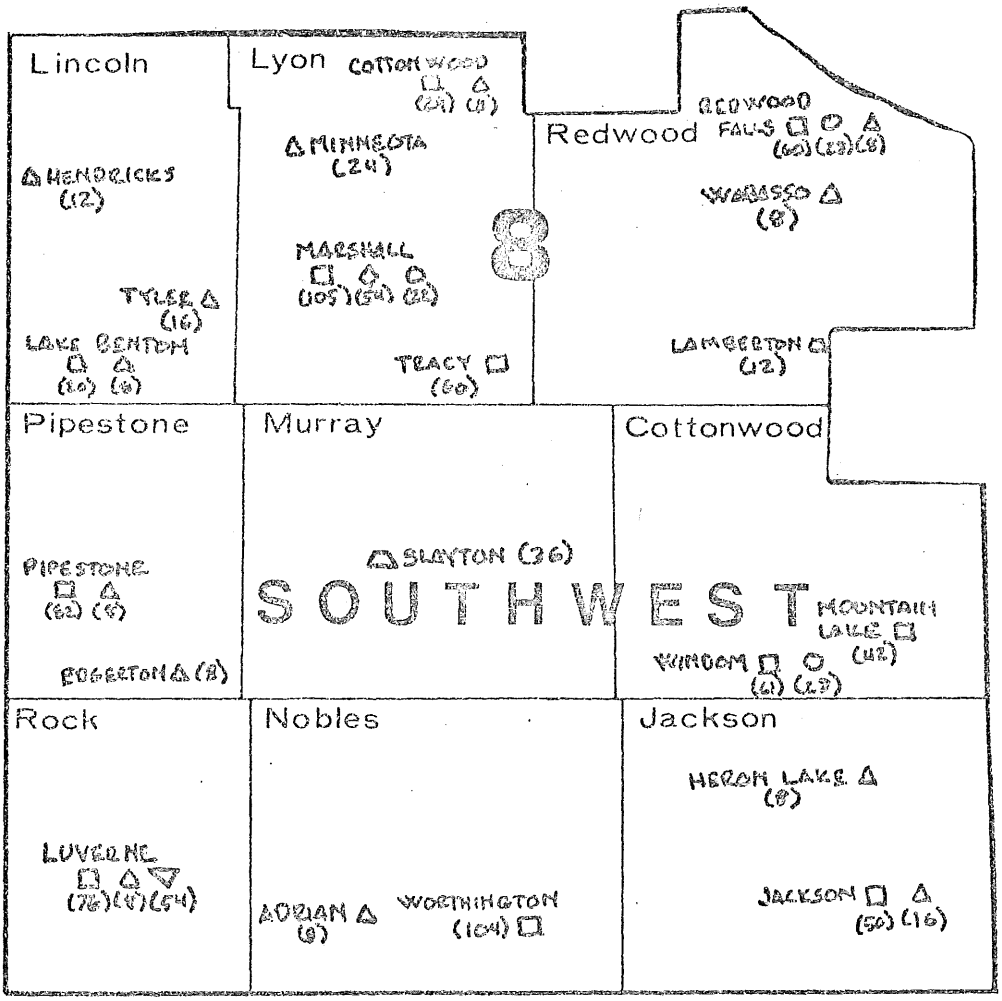
□ - LOW-RENT PUBLIC HOUSING
▽ - HUD/MHFA SECTION 8
Pine
Mille Lacs
Kanabec
7E
EAST CENTRAL
ASKOV Δ (14)
HINCKLEY Δ (6)
ISLE Δ (4)
ONAMIA Δ (16)
PINE CITY □ Δ (24) (24)
OGILVIE Δ (8) MORA □ (48)
MILACA Δ (64) Δ (16)
Isanti
BRAHAM □ (32) Δ (12)
Chisago
RUSH CITY Δ (16)
Δ (16)
PRINCETON □ (41)
CAMBRIDGE □ (45)
ISANTI Δ (16)
NORTH BRANCH Δ (14)
TAYLORS FALLS Δ (20)
LINDSTROM □ (30)
WYOMING Δ (16)
Stearns
Benton
7W
SAUK CENTER □ (40)
MELROSE Δ (20)
SAINT CLOUD □ Δ ○ (215) (90) (8)
SAUK RAPIDS ▽ (99)
Sherburne
BELGRADE □ Δ (28) (18)
CENTRAL MINNESOTA
COLD SPRING Δ (42)
ELK RIVER Δ (24)
ANNANDALE ○ (24)
BUFFALO ○ Δ (48) (24)
ROCKFORD Δ (16)
COKATO ○ Δ (14) (84)
HOWARD LAKE ○ (64)
WAVERLY Δ (16)
DELANO Δ □ (24) (48)
Wright



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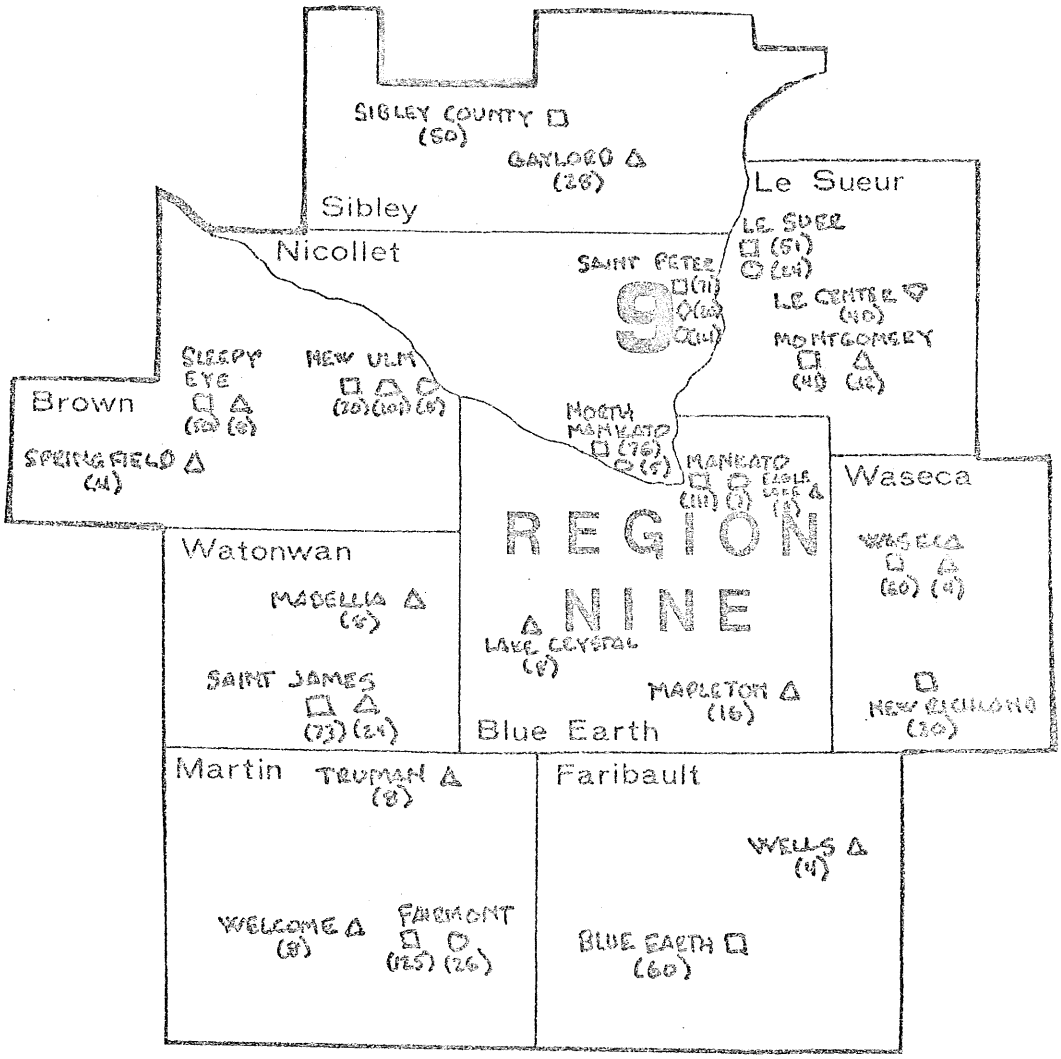
- ○ - HUD SECTION 236
- ◇ - HUD SECTION 202
- △ - HUD SECTION 221(d)(3)
- □ - LOW-RENT PUBLIC HOUSING
- ▽ - HUD/MHFA SECTION 8



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- ▽ - HUD/MHFA SECTION 8

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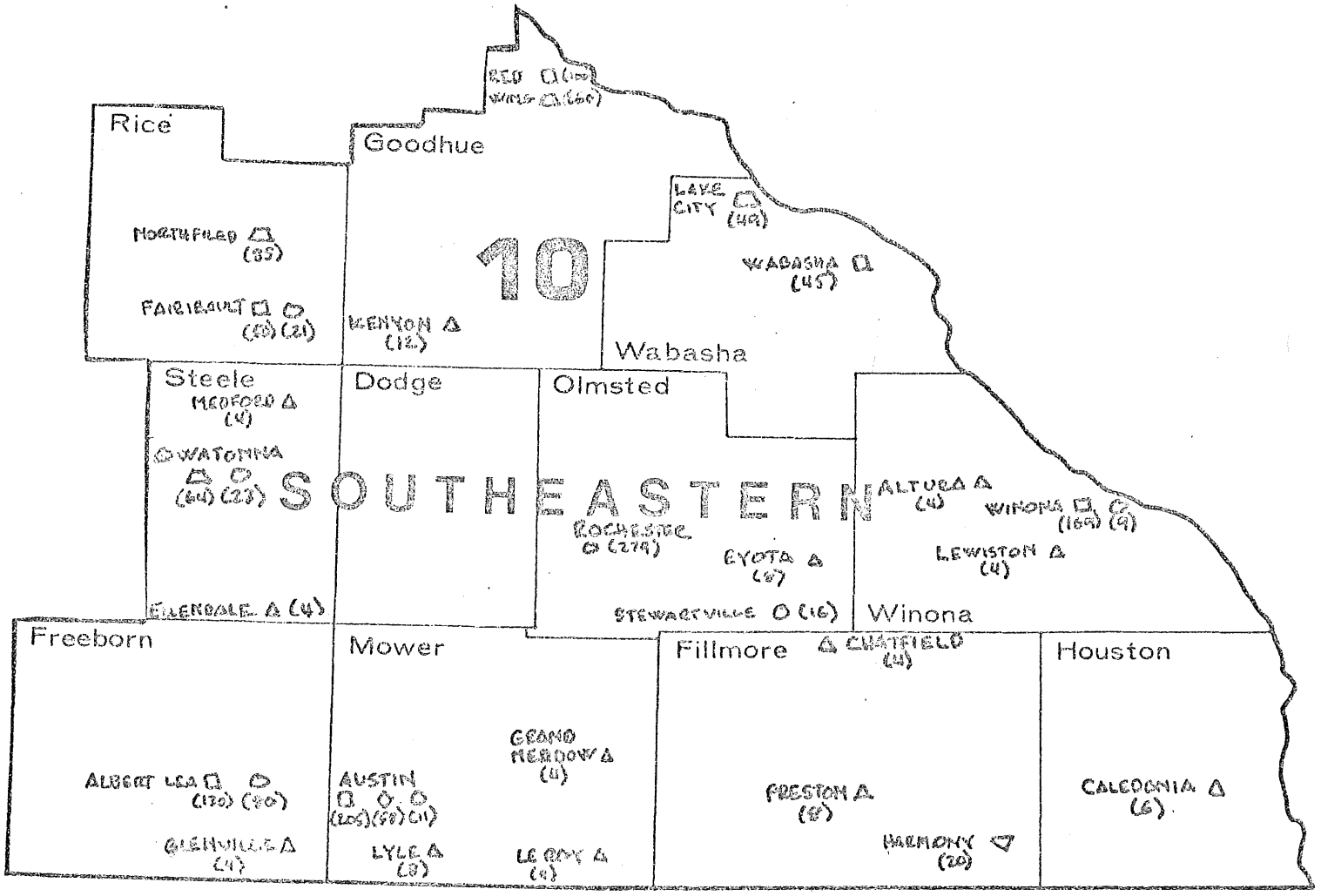
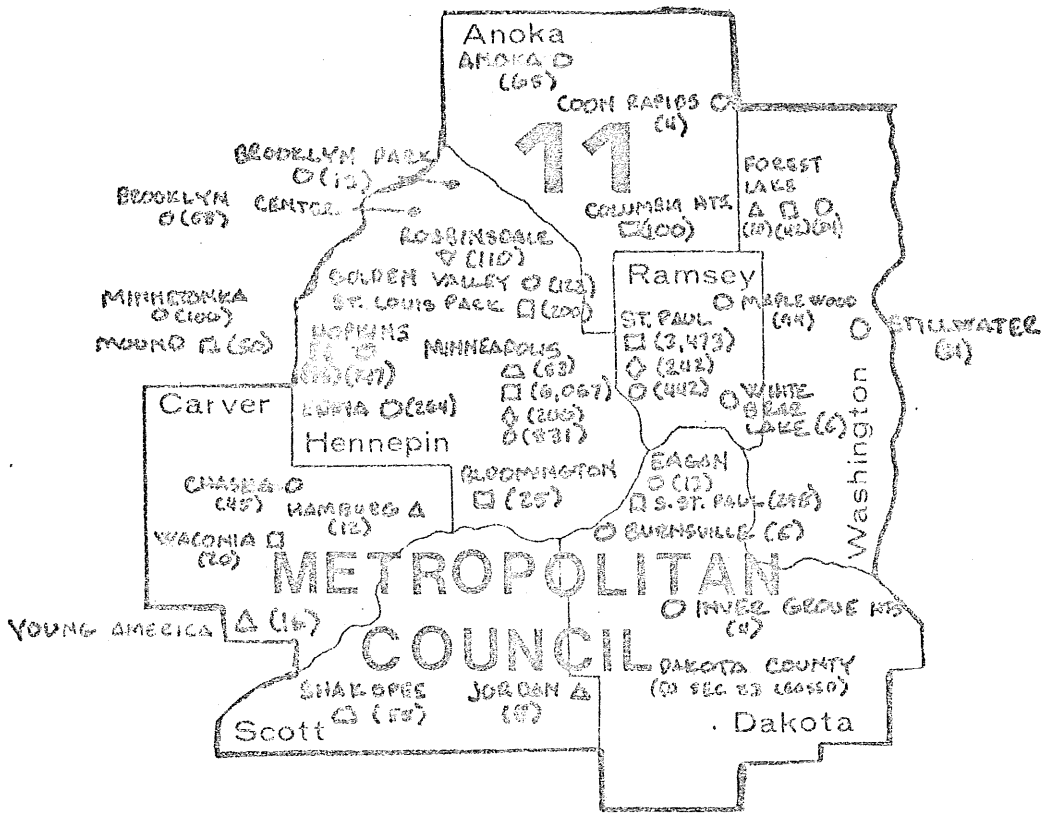
- ▽ - HUD/MHFA SECTION 8





KEY

△ - FMHA SECTION 515
○ - HUD SECTION 236
◇ - HUD SECTION 202
⏢ - HUD SECTION 221 (d)(3)
□ - LOW-RENT PUBLIC HOUSING
▽ - HUD/MHFA SECTION 8

Appendix 5: Total Number of Units for the Elderly Under Major Housing Programs

Housing Program	No. Of Units
FmHA Section 515 - Rural Rental Housing***	1,529
HUD Section 202 - Subsidized Housing for Elderly and Handicapped***	1,425
HUD Section 236 - Housing Subsidy***	3,603
HUD Section 221(d)(3) - Housing Subsidy*	1,127
Low-Rent Public Housing***	16,975
HUD Section 8 (New Construction)**	655

*Forerunner of Section 236 Program.

**Under Construction, October 1976.

***Completed Units as of January 1, 1975.

Appendix 6: Selected Housing Alternatives Currently Available in Minnesota

Most housing for the elderly provided under government subsidy programs is designed for people who are relatively independent. This appendix concerns itself with housing which provides somewhat greater levels of health, psychological and social supports for the more dependent elderly. Thus, housing is described here in terms of the level of medical support offered. Housing is classified on a continuum from housing which emphasizes primarily non-medical, resident services to housing which emphasizes primarily medical services. Most of the housing described here is not subsidized.

Examples of Housing in Minnesota Providing Primarily Non-Medical Resident Services

A number of retirement residences provide services for older persons. Included are such services as congregate meal service, housekeeping and linen services. Medical services are not generally available on site. The exact mix of services may vary from one residence to the next. Examples of this type of facility include:

1. Rembrant, Heritage and Roybet of Edina

   These developments are privately owned and operated and include most of the services outlined above. Emergency nursing care is available at an adjacent nursing home; in addition hair stylists and gift shops are available on site. Individual apartments include kitchens. All persons pay a $500 entrance fee and monthly rents ranging from $400 (efficiency) to $825 (2-bedrooms).

2. Soul's Harbor Nicollet House, Minneapolis (161 residents)

   Soul's Harbor is a church and residence which occupies a former hotel. Services include congregate dining and weekly maid services. Nursing service is provided on site for several hours per week. Religious activities are emphasized. Because the facility is located in a former hotel, residents occupy single rooms without kitchens. Monthly rents range from $270-$405, depending on the size of the room.

3. St. Ann's Residence, Duluth (200 residents)

St. Ann's Residence, another converted hotel, provides congregate meals and weekly maid services. There are dining rooms on each floor - the rooms do not have kitchens. Rents range from $250 per month and up depending on the size of rooms.

4. Brookside Manner, Montevideo (83 residents)

This development is subsidized under the HUD Section 202 program. It contains a mixture of units which range from rooms without cooking facilities to efficiency and one bedroom apartments. Three meals are served daily in the central dining room for an extra charge. Rents range from $95 - $116 per month for rooms, and $116 - $200 per month for apartments.

5. Central Towers, St. Paul (283 residents)

This is a Section 202 development servicing moderate-income elderly. Rents range from $89 - $156 per month. Meals and maid service cost extra. It should be noted that many of the low-rent public housing and Section 202 developments in the metropolitan areas of the state offer on-site services, such as weekly chiropractor, chirpodist, beauty, clinic, and maid services. Most do not have congregate meals and are primarily designed for the independent or well elderly.

Examples of Housing in Minnesota Providing Medical and Non-Medical Residential Services

The examples listed here go beyond the provision of residential services such as meals and maid service. They provide skilled nursing service to their residents as well as varying amounts of medical supervision. Care is often tailored to the needs of individual residents. In addition, many facilities are certified under Medicare or Medicaid.

Because a number of the facilities discussed here offer full-time nursing services, they are licensed by the State Department of Health. Three levels of

medical care are recognized: (1) Skilled Nursing Facilities (SNF's), Intermediate Care Facilities-I (ICF-I's) and Intermediate Care Facilities-II (ICF-II's). Regional health planning bodies issue certificates of need for new construction or expansion of these types of facilities.

SNF - Serves patients who need injections or constant attention from a nurse. Patients are often bed ridden or non-ambulatory. The state requires through regulations that all SNF's provide a minimum of 2.0 hours of nursing care per patient per day. They must also be seen by an MD at least every 30 days. An RN must be on duty seven days a week on the day shift.

ICF-I - Serves patients who can take care of themselves to some degree, usually ambulatory but need custodial care. Many also need help with medications. State regulations also require 2.0 hours of nursing per patient per day but patients need be seen by MD only once every 60 days.

ICF-II - Serves patients who need supervision but are able to take care of themselves in most cases. They usually can take their own medicine, but must see an MD once every six months.

The following developments offer both residential services and nursing services as described above:

1. Ebenezer, Minneapolis (800 residents)

   The Ebenezer Society, which is composed of 44 churches in the Minneapolis area, offers a continuum of care which ranges from independent care to skilled nursing care. Differing levels of care are offered in different buildings which are either physically connected or in close proximity to each other. Residents can thus receive the level of care they need at any given time. As their needs change the care they receive changes also.

   The Tower is designed for independent living. It is a Section 202 development which offers a variety of social and residential services including a congregate meal, maid service and emergency nursing service. Medical services are not provided in the building directly, but are provided

in the adjacent SNF. Thus, all residents of the Tower have access to skilled nursing care when needed. The remainder of the buildings are designated ICF-II, ICF-I or SNF's. They provide services services similar to those described above. The monthly costs and designation of other facilities are outlined below:

Ebenezer Tower	Independent Living (Sec. 202)	$136-$191/mo.
Luther Hall	SNF	$825-$855/mo.
Field Hall	ICF-I	$675-$720/mo.
Luther Annex	ICF-II	$675/mo.
Ebenezer Hall	ICF-II	$675/mo.
Franklin Nursing Home	SNF	$750-$870/mo.

(The Franklin Nursing Home is not located in the immediate Ebenezer Neighborhood).

2. Walker Methodist Home, Minneapolis (500 residents)

The Walker Home offers a continuity of care similar to that described above. Most residents live in non-housekeeping single rooms or suites which have private half-baths. In addition nearly 200 residents reside in an extended nursing care facility. The remainder live in 17 apartments with kitchens. Three levels of care are provided; independent living, limited custodial, and skilled nursing care. Other social and residential services are also offered. The minimum age for admission is 70.

Rents and fees are as follows:

Single Room	$310-$300/month
ICF-II	$600/month
SNF	$810/month

There is a $500 entrance fee.

3. Madonna Towers, Rochester (150 residents)

Madonna Towers is operated on a non-profit, non-sectarian basis by the Oblates of Mary Immaculate. It is a life care facility for persons aged 62

or older. Life care facilities require a sizable membership fee and monthly rent payments. In return members receive one meal per day, emergency medical service, access to an on-site skilled nursing facility (at no extra charge); transportation to and from downtown Rochester, maid service, use of public rooms, and a home-health aid (for a slight fee). Persons generally remain at Madonna Towers for life. Contract charges are determined by the size of the apartment chosen. They are as follows:

	Membership Fees	Monthly Live Care Changes
Studio	$12,000.00	$364.65
Bedroom Apartment	$20,000.00	$462.10
One B.R. Townhouse	$21,000.00	$473.05
Two B.R. Townhouse	$23,000.00	$490.60

If there are two people living in any of the apartments there is only one membership fee but there would be an additional monthly charge for the second person of $282.50.

4. Presbyterian Home, St. Paul (196 residents)

This residence is composed primarily of furnished, private rooms which share baths. Services include all levels of nursing care, weekly maid service, three meals per day, activity planning and social services. All services above are included in the monthly rent except nursing which requires additional charges. Rents range from $300 to $600 per month depending on room size.

5. Block 153, Duluth (100 residents)

The Duluth HRA is in the process of constructing a 90 unit development for the elderly which will have at least one floor which contains skilled nursing care. The remaining floors will contain one bedroom apartment units with emergency nursing care provided. Detailed plans for this development are not yet available.

Examples of Housing in Minnesota Providing Primarily Medical Services

Housing described here is generally classified under the heading of nursing homes and extended care facilities. Such housing is seen primarily as medical facilities rather than residential facilities although in many cases they perform both functions. The residents in such facilities are generally viewed as patients and usually are functionally impaired or chronically ill. They are often incapable of taking care of themselves and hence require constant supervision. As private living accomodations, cooking facilities and other private activities are often obstacles to delivery of health care services, they are not emphasized in nursing homes. Some nursing homes provide congregate meals. However, others have no common dining rooms, necessitating meal service in sleeping rooms.

It is not necessary to describe examples of nursing homes beyond the general descriptions contained here, in the text and in Appendices 2 and 3. As the text and appendices indicate there are 32,961 nursing home beds in Minnesota with 43 percent in the Twin Cities Metropolitan Area and 57 percent in the remainder of the state.

Appendix 7: The Service Planning Structure and Housing-Related Services in Minnesota

Housing-related social services for the elderly are being developed throughout Minnesota. These services, along with other social services for older citizens are planned and coordinated under a system of substate planning and service agencies known as Area Agencies on Aging (AAA's). These AAA's were mandated under Title III of the Older American's Act Amendments of 1973. Title III gives primary responsibility for the development of a network of services to the area agencies. Under the concept of service networks, AAA's coordinate existing services for the elderly and fund gap-filling services where none exist at present. "Start-up" money is provided for three years under Title III. After that time new service programs must find other permanent sources of funding. At present, AAA's are functioning in six of Minnesota's 13 development regions -- regions 2, 3, 4, 5, 10, and 11. Planning and service functions for the rest of the state are carried out by the Governor's Citizens Council on Aging which is the designated State Agency on Aging under the Older American's Act.

Under Title III services, strategies are tailored to local needs through regional plans. Area-wide priorities are set at the regional level. The GCCA, in turn, devises a state plan which coordinates services over the entire state. It reviews regional plans and directly provides Title III services in regions which are not served by AAA's. Finally, the federal Administration on Aging reviews and approves state plans. In addition, it sets certain national priorities which are reflected in regional and state plans. Currently, there are four priority sources areas; transportation service, housing repair services, in-home services, and legal services. The first three are clearly related to housing.

Funding under Title III for F.Y. 1976 is budgeted at $1.67 million in Minnesota. Approximately $300,000 of this money is new money of which 50 percent must be spent in at least one of the four priority areas listed. The services provided in Minnesota under Title III are listed on the following page:

Housing-Related Service Providers Funded Under Title III of the Older Americans Act

Transportation Services

Region 2
1. Lake of the Woods Senior Transportation Program - Baudette
2. Pioneers of the Valley Transportation Program for Clearwater County - Bagley

Region 3
3. Arrowhead Transportation Program for the Elderly - Virginia

Region 4
4. Seniors Transportation Coordinator, Becker County Committee on Aging - Detroit Lakes
5. Douglas County Senior Center Transportation Programs - Alexandria

Region 5
6. Cass County Transportation for the Elderly - Walker
7. Todd County Senior Citizens Transportation Program - Long Prairie
8. Leech Lake Reservation Transportation Services - Cass Lake
9. Transportation Program for Senior Citizens of Crow Wing County - Brainerd

Region 10
10. Red Wing Transportation Program - Red Wing
11. Dodge - Steele Senior Transportation Program - Rushford

Region 11
12. Anoka County Volunteer Transportation Program - Anoka
13. Dakota Area Referral and Transportation for Seniors (DARTS) - Inver Grove Heights
14. White Bear Lake Transportation for Seniors - White Bear Lake
15. West Hennepin Transportation Program - Minneapolis

Homemaker Services

Region 2
1. Clearwater County In-Home Care - Bagley

Region 4
2. Grant-Traverse-Sterns Older Americans Program - Morris

Region 11
3. Homemakers for Senior Citizens, Ebenezer - Minneapolis
4. Project to Determine the Effectiveness of In-Home Services - St. Paul
5. Minneapolis Age and Opportunity Center Expansion Program - Minneapolis
6. Outreach Health-Care Program

Chore Services

Region 3
1. Arrowhead Economic Chore Service - Virginia

Region 5
2. Wadena County Chore-Home Maintenance Services - Wadena

Home Health Services

Region 2

1. Multi-County Nursing Service - Detroit Lakes
2. Beltrami County Nursing Service - Bemidji
3. Inter-County Nursing Service - Bagley
4. Hubbard County Health Assessment Clinic - Park Rapids

Region 3

5. Itasca County Nursing Services - Grand Rapids
6. Lake Home Health Services for the Elderly - Two Harbors
7. Carlton Home Health Aide Program - Carlton
8. Senior Citizens Health Screening Clinics - Aitken
9. Duluth Health Assessment Program - Duluth

Region 6

10. Olmstead County Public Health Nursing Service for Senior Citizens - Rochester
11. Houston County Home Health Aide Service for Senior Citizens

Region 11

12. Homemakers for Senior Citizens, Ebenezer Society - Minneapolis
13. Scott County Senior Citizens Health Evaluation Project - Shakopee
14. Carver County Senior Citizens Health Evaluation - Waconia
15. Project to Determine the Effectiveness of In-Home-Services - St. Paul
16. Outreach Health Care Program, St. Mary's Extended Care Center - Minneapolis

Appendix 8: Innovative Housing Alternatives for the Elderly in Other States

This appendix describes several significant housing alternatives for older persons which are being tried in other states. At present, there are no true counterparts to these approaches in Minnesota. It is possible that the approaches described below can provide ideas for further expansion of housing opportunities in this state.

I. Innovative Approaches to Congregate Housing

1. Maryland Sheltered Housing Subsidies

In 1975 the Maryland legislature enacted into law a bill which establishes subsidies for sheltered or congregate housing in the state. Under the new law, the state of Maryland, through the Office of Aging, provides additional subsidies on particular units within HUD sponsored Section 202 and Section 8 housing developments. These "piggy-back" subsidies finance the provision of residential services for the individuals residing within the units.

The services funded include three meals per day served in a central dining room, housekeeping services, and personal care services such as assistance with bathing or dressing. Such services are not normally found in conventional elderly housing developments. The unit costs of these subsidies averages $65 per month with the maximum allowable subsidy being $100 per month.

There are currently 200 sheltered units scattered throughout three existing elderly developments. An additional 400 units have been held in reserve in elderly developments which are now in the planning phase. These units are scattered throughout buildings designed primarily for independent residents. No more than 25 to 30 percent of the units in any one building can be designated as sheltered units. This restriction seeks to prevent an institutional atmosphere from developing within a building.

Meal services provided under the program are economically viable only when there is sufficient volume to cover costs. In most cases the necessary

volume cannot be provided by shelter residents alone. Dining rooms have thus been opened to other elderly residents or residents in the surrounding neighborhood. A sliding-scale fee is charged for meals based on ability to pay.

2. Nebraska Small Town Congregate Housing

The problem of housing rural elderly persons is being addressed in Burwell, Nebraska (population 1,400). Burwell's 50 unit congregate housing development was built and financed by the local housing authority and the Public Housing Administration. It consists of 30 one-bedroom apartments with full kitchens and 20 living-sleeping rooms with private baths. All residents can eat in a central dining room. In addition an optional housekeeping service is available for residents for a slight charge. Rents are based on 25 percent of income.

What is significant about this housing development is the fact that it has been able to operate well in a small town. A number of services are available in the town including a hospital. Other services, however, are supplied by the residents themselves. Foremost among these services are assistance with dressing, and a mutual alarm system for medical emergencies. Persons in distress can activate an alarm which alerts a fellow resident of the difficulty. The fellow resident then calls for medical assistance. Such forms of mutual aid reduce service costs and make congregate care viable.

3. Pennsylvania Intermediate Housing

A form of congregate housing is being developed privately by the Philadelphia Geriatrics Centers (PGC). The PGC operates a skilled nursing facility as well as a facility for the mentally impaired elderly. It has substantially modified nearby row houses to provide small-scale congregate housing within an age-integrated neighborhood.

Individual rowhouses are converted into four efficiency apartments with private baths. Residents share a common living/dining area. PGC provides one meal a day, linen service, light housekeeping, emergency nursing service and access to activity rooms and social services. Such housing offers an alternative to institutionalization by fostering a sense of independence. Moreover, opportunities for both mutual aid and companionship exist along with privacy. The National Institute of Mental Health is providing support for an in-house evaluation of these units.

4. Delaware Elderly Group Housing

The Delaware Division on Aging is currently financing and developing four group homes in three counties. Each building will house 9 to 14 persons. Large residences on row houses are being converted in conformance with local codes. They are all located near services or transportation. All residents in these group homes must be ambulatory and capable of doing light housework.

Residents will have private bedrooms but will share baths and kitchens. In addition a large common living and dining area will be provided. Whenever possible residents will furnish their own rooms.

Such housing is a varient on congregate housing. Its relatively small scale and heavy reliance upon shared facilities will make further evaluation of it necessary. Meals and housekeeping responsibilities will be shared by the residents.

II. Private Elderly Housing Units

1. New Jersey Housing Conversions

A rather unique approach to the needs of elderly homeowners has been undertaken in Plainfield, New Jersey. A one-year demonstration program has been initiated which provides no-interest loans to elderly homeowners for the purpose of converting their second stories into apartments for other senior citizens.

Loans averaging $9,393 will be provided for apartment conversions in houses which are in relatively good condition and are located in neighborhoods zoned for two-unit dwellings. To be eligible for such loans home-owners must be at least

65 and must have an annual income below $5,000.

The new apartments, which have private entrances and full baths and kitchens, are then rented to other low-income elderly persons under the Section 8 Housing Payments Assistance Program. The housing authority then pays the new landlord an agreed upon rent for the new unit. Elderly landlords are expected to make a small profit even though they will have increased monthly expenditures.

The anticipated outcome of the program is the creation of low rent housing for two elderly households, where only one unit previously existed. Homeowners will thus be able to remain in their homes. Since the program is in its early phases (only five units are being converted initially) the long-term consequences of such conversions are not known.

III. Housing Repair and Maintenance

1. Pittsburgh Neighborhood Housing Services

An innovative approach to the housing maintenance needs of elderly and low-income homeowners is being undertaken in Pittsburgh. Under a grant from the Ford Foundation, Neighborhood Housing Services is attempting to aid homeowners with preventive maintenance.

Under the program homeowners purchase a three year housing maintenance contract for $96 per year. In return the Housing Maintenance Service performs a variety of tasks at little or no additional cost. The following services are included under the agreement.

1. Annual maintenance evaluation of the entire structure (over 100 items are inspected)
2. One emergency call per year without charge (except for materials)
3. Exterior annual maintenance including sealing of cracks, roof leaks, replacement of broken glass, stairway repair, painting of trim (3 gallons of paint supplied)

4. Interior annual maintenance including furnace inspection, change of filters, hot water heater inspection, plumbing inspection, electrical repairs, and minor plaster patching.

In addition more extensive services are supplied at low cost. Labor and materials can be purchased by homeowners at a discount, and a tool library is operated by the NHS for do-it-yourself work. There are currently 150 households participating in the program which is now in its second year.

2. Nebraska Elderly Housing Repair Program

The city of Lincoln has initiated an elderly handyman service. The program has two main objectives. It seeks to provide low cost repair services to low income elderly persons and it seeks to provide meaningful work for retired handymen. The city of Lincoln pays retired maintenance men $4 per hour to perform simple maintenance services. In addition the city absorbs the costs of materials such as paint or lumber. In return the elderly homeowner repays the city on a sliding scale based upon income. The average costs have been 30 percent of the going market costs. Handymen supply their own tools and transportation.

Since the program began in 1972 between 25 and 30 men have been employed. Nearly 500 jobs are completed each month. In addition, handymen have been used to a limited extent by tenants who need special facilities such as wheel chair ramps or grab-bars.

In addition to the programs cited above, there are a number of home winterization programs for low income households currently operated by Community Action Agencies. As described in the preceeding Appendix, housing services are also provided under Title III of the Older Americans Act. Because these types of programs are rather widespread they are not discussed in detail here.