

Maine Policy Review

Volume 24

Issue 2 *Aging*

2015

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Recommended Citation

Gallagher, John. "The Evolution of Elder Housing Design and Development." *Maine Policy Review* 24.2 (2015) : 42 -48, <https://digitalcommons.library.umaine.edu/mpr/vol24/iss2/9>.

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The Evolution of Elder Housing Design and Development

by John Gallagher

Maine faces a growing number of elderly households as the baby boomer generation ages, which will have a major impact on housing. John Gallagher discusses the availability of affordable housing for elder adults and what is being done to address the widening gap between the needs and wants of elders with limited financial resources and compares that to what will actually be available to them.

As Maine's senior population grows, discussions continue among policymakers, housing providers, and advocates on how best to address their needs. Increasingly, state and local governmental agencies, public housing authorities, and service providers are being asked to address the growing number of elderly households, their housing needs, and their quality-of-life expectations. These include proximity to friends and community, stores, health care and other services; accessibility to transportation; availability of adaptive rehabilitative services; and housing affordability, whether a mortgage or rent plus associated living expenses.

The available senior housing options come with a price tag, and the question of how these costs will be paid weighs heavily on the people having to make the decisions. Probably the most compelling issue in the coming years will be the widening gap between the needs and wants of elders with limited financial resources and what will actually be available to them. Housing and desired services tend to be centralized in urban areas because demand is greater, units are filled quickly, and costs are kept in check when compared with trying to answer requests for similar accommodations in rural areas.

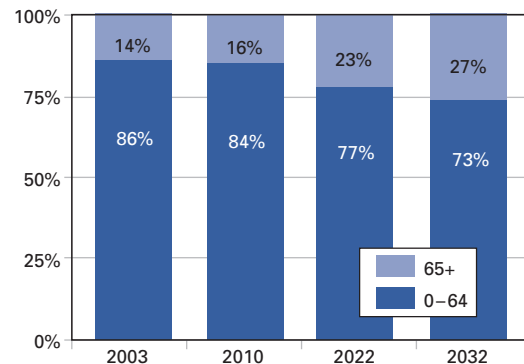
At MaineHousing, we're hearing more and even louder requests to finance the construction or rehabilitation of additional affordable housing for persons with lower incomes. MaineHousing also is being asked to respond to new and emerging expectations for how senior housing should be designed or rehabilitated, taking into consideration how seniors move safely in their homes, whether health care services can be delivered

at home or in affordable housing developments, and ways to enhance social interactions.

THE EFFECT OF THE BABY BOOMERS

The changing, burgeoning senior housing landscape is being fueled by the baby boomer generation not only in Maine but nationwide, according to the National Historic Geographic Information System (<https://nhgis.org/>). Only 12 percent of the nation's population was over 65 in 1980. Now it's 15.4 percent and will continue to increase through 2030, when the last of the baby boomers turn 65. In Maine it's slightly higher at 15.9 percent. The Maine Office of Policy and Management projects that by 2032 residents over the

FIGURE 1: **Changing Age Distribution in Maine, 2003-2032**



Source: Maine Office of Policy and Management

age of 65 years will constitute 27 percent of the state's population, nearly doubling since 2003 (Figure 1).

Baby boomers are different from generations before them. They are fiercely independent, technologically inclined, better educated, and consumer oriented. They will live longer and healthier lives thanks to advances in medicine and health care. Their impact on housing trends has been studied and discussed in countless periodicals, conferences, and other forums. One common theme emerges: they will need or demand more of everything including housing units, flexibility, affordability, autonomy, access, and community- and people-centered services. "More" is how baby boomers have lived their lives, shaping trends for decades, and they'll continue to push others to adapt, provide, and conform.

THE EVOLUTION OF PUBLICLY FINANCED HOUSING

Meeting the housing needs and demands of baby boomers is the latest of many adaptations in the development of subsidized or affordable housing, which began in the early twentieth century when the United States began transitioning from a predominantly rural farming economy to an urban, industrialized one.

Because of the country's rural nature prior to the 1920s, elderly family members either lived near their children or with them in multigenerational households. Back then, taking care of an elder was a private family matter that was not supported by governmental housing subsidies or health care plans. The less desirable alternative was an almshouse or what later was called an "old folks' home." Design enhancements to accommodate aging adults' needs were not a consideration.

Any government involvement in housing at the turn of the century was primarily limited to housing quality and living conditions. Tenement living and substandard housing conditions were the issues when the National Housing Association was created in 1910; its purpose was to improve housing conditions through better regulation and community involvement in urban and suburban areas.

Increases in population rates, along with economic upheavals such as the Great Depression and two World Wars—and the recoveries that followed each—put pressures on housing in terms of affordability, living conditions, and availability.

Beginning in 1937 and continuing until today, the role of government in providing safe and affordable

housing has evolved. Over these years, federal and state governments have used financial assistance to achieve a variety of goals: to support housing production, revitalize cities, clear urban blight, support economic development, encourage the development of the mortgage market, and expand housing opportunities for low- and moderate-income home buyers and renters.

The Wagner-Steagall Housing Act of 1937 created the foundation for today's governmental housing agencies by creating a public housing program of constructing and funding affordable rental housing for households with low incomes.

In 1943, the first public housing authority was established in Maine. The availability of housing for lower-income households was insufficient to meet the demand as any available housing was being taken by workers coming to South Portland to build Liberty ships for the war effort. The South Portland Housing Authority was created to invest federal funds into housing development to meet the needs of lower-income households.

Meeting the housing needs and demands of baby boomers is the latest of many adaptations in the development of subsidized or affordable housing....

Senior housing became its own specific designation in 1959 when the federal government created the Section 202 Program, which funds private, nonprofit developments that include services such as housekeeping and transportation to help seniors whose income is less than 50 percent of an area median income to live independently. This form of public sector financing (public funds to private developers) is the U.S. Department of Housing and Urban Development's (HUD) principal deeply subsidized elderly housing program.

In the 1960s, Maine's state housing authority and the majority of the 20 local public housing authorities were created. Against a backdrop of substandard housing conditions that was similar to why public housing financing began in the 1920s, the Maine Legislature created the Maine State Housing Authority

(MaineHousing) in 1969 because “there exists in urban and rural areas in the state unsanitary, unsafe, and overcrowded dwelling accommodations” (Maine Revised Statute, Title 30-A, §4702).

In 1974, the federal government began to decrease the funding for public housing and its role in property management. This created the Section 8 program, which provides rental assistance for lower-income households (generally up to 30 percent of area median income) to secure housing owned by private sector, primarily for-profit property owners. Section 8 rental assistance is delivered on a project-based approach (the rental assistance is tied to the unit) and a tenant-based approach (portable with the recipient household).

Construction of project-based, Section-8-assisted projects was at the forefront of affordable housing development in the 1970s and early 1980s, and the units were almost exclusively for elderly tenants. When these construction projects ended in the mid-1980s, the federal government shifted to a tax-credit model to create incentives for the construction and management of rental housing for households with low incomes that are up to 60 percent of an area median income. The Low Income Housing Tax Credit Program (LIHTC) gives tax credits in exchange for private investment and is Maine’s primary driver of affordable rental housing development.

Today, the role of publicly supported housing is extensive. There is an infrastructure of public housing agencies, a cadre of developers of housing for the elderly—both publicly and privately financed—and a host of management companies with responsibility for maintaining these properties.

So what will be the role of the housing sector going forward? Generalizations about the baby boom generation can mask important disparities in the economic well-being and health of this aging population, a group that will need greater housing and health services compared to previous generations simply because there are more people. It is highly certain that the contribution and participation of family in meeting elder housing needs will continue to play a significant role. It is also certain that the affordability gap will worsen as the population ages and, as a result, demand continues to outpace supply.

AFFORDABILITY OF STAYING INDEPENDENT

When adults think about getting older, their first choice is to live independently at home.

According to a recent AARP survey, four out of five Mainers over age 50 said they feel it is extremely or very important for them to stay in their homes as they age, more so for those earning less than \$20,000 annually (Bridges 2014).

But can older adults afford to remain in their homes? For some there are financial concerns, but those are not as worrisome to them as they are to their influencers, a term used in the 2015 United States of Aging Survey (USAS) to denote family members, financial advisers, health care professionals, and others who may be asked for advice. Almost 65 percent of elders surveyed are worried they won’t have enough money to last the rest of their lives, but for influencers, the uneasiness is 93 percent. Increasing costs of living or unexpected medical expenses carry the greatest uncertainty (National Council on Aging 2015).

According to USAS, 58 percent of older adults have not changed residences in more than 20 years, and 75 percent say they intend to live in their current home for the rest of their lives. Many older adults have been proactive in making home modifications including bathroom upgrades and improved lighting systems, and they along with their influencers would like to see more services available to help older Americans to adapt their homes to their changing needs (National Council on Aging 2015).

In Maine, a state with an older housing stock, 78 percent of elders own their own home, and 13.7 percent of these households have incomes at or below 30 percent of area median income. Lower fixed incomes combined with an asset that may not be adequately maintained can make it unsafe and unaffordable to remain in the home. MaineHousing’s limited-funded weatherization and home-repair programs help lower-income households with basic modifications, but many households are not eligible because their houses require more work than the programs allow.

For older adults wanting to rent an apartment, affordability can be a major challenge. A recent MaineHousing analysis finds that only a third of all rental units (subsidized and market rate) are affordable to older adults with a fixed income. Of seniors who are currently renting, 37.4 percent over the age 65 earn less than 30 percent of area median income (Table 1). Compared to all households in Maine, a higher percentage of elder households are extremely low income.

TABLE 1: Percentage of Households in Maine Earning 30 Percent or Less of Area Median Income

	Owners	Renters	Total
65+	13.7%	37.4%	18.4%
All Households	8.4%	26.2%	13.5%

Source: MaineHousing

Urban counties, namely York, Cumberland, and Androscoggin, have the highest percentages of elder households with extremely low incomes.

The statewide median household income for people over 65 years of age is estimated to be \$33,062. A household earning the median can only afford to pay \$826 per month in housing costs or they are cost burdened, which means they are paying more than 30 percent of their income towards housing (Table 2). In Maine, nearly half the population of renters and a third of owners over the age of 65 are cost burdened (U.S. Census, American Community Survey).

TABLE 2: Share of Income Spent on Housing Costs in Maine

	Owners	Renters	Total
65+ Households	108,061	29,869	137,930
>30% of Income	31,500	14,385	45,885
Percentage	29.2	48.2	33.3

Source: U.S. Census, 2008–2013, American Community Survey, Five-Year Survey, Table S0103

At the Maine Summit on Aging, sponsored by the Maine Council on Aging in September 2014, a report by the Carsey School of Public Policy at the University of New Hampshire offered more insight on incomes of older adults. One in ten Maine older adults was below the poverty line in the 2009–2013 period, and 51 percent would be considered poor if they did not receive Social Security benefits. Without medical expenses, poverty among older adults would be cut roughly in half, from 10.2 percent to 5.2 percent (Schaefer and Mattingly 2015).

According to Stephen M. Golant (2015) in his book *Aging in the Right Place*, dwelling expenses are the single largest spending category for older adults “who are exposed to regular cost increases and who have generally

lower incomes,” thus putting them at the greatest risk of feeling financially vulnerable. He cites 2010 Bureau of Labor Statistics data that show the average home-related expenses of people age 65 and older are about 35 percent of their total household spending and represented 43 percent of the total household expenditures for those whose annual income is under \$16,208. “In comparison, food, out-of-pocket health care, and transportation costs average, respectively, 12 percent, 13 percent, and 14 percent of their total expenditures” (Golant 2015: 71).

SUPPLY AND DEMAND OF AFFORDABLE HOUSING

There is also the challenge of finding an available unit. While Maine’s elder population has grown to 15.9 percent today, senior affordable-housing rentals have remained at 44 percent since the early 1990s, even though the construction of multifamily units in Maine has been far outpaced by the construction of single-family units. More of the units are located in more urban areas than in rural towns where older adults may want to live, and long, multiyear waiting lists are the norm.

While the good news is that the supply of affordable housing has remained steady as a percentage of need, the question is whether affordable housing developers will be able to meet the growing demand. A recent assessment of Maine’s housing needs for people ages 55 and older by Abt Associates said that Maine will need more than 15,000 additional senior-housing units by 2022. Maine will need to add more than 6,000 more housing units in the next seven years to meet this demand at a 44 percent rate (Abt Associates 2015).

DEVELOPMENT TRENDS AND OPTIONS

While many Maine older adults may choose to stay at home, others will be looking at other housing options. And there is an expanding smorgasbord of choices.

Retirement living centers featured in advertisements give the appearance of luxurious resorts awaiting seniors when they reach the magic age of 65 years (or even younger). They are, however, financially unavailable to elderly households with low incomes.

Generally privately owned and developed with commercial credit or investment, continuing-care retirement centers and assisted-living centers combine a sense

of community with residents' evolving health care needs as well as their desire to remain relatively independent and mobile. These communities can be a mix of market-rate apartments, condos, or small houses, and offer an array of services such as meals and light housekeeping for a fee, plus many options for recreation and socialization.

Just as for older adults who live in their own house, home-based care programs expand the viability and attractiveness of independent-living retirement centers. Services may include Medicare-certified home health services, meal delivery, transportation, or a private-duty nurse or personal care assistant. This includes social and community engagements, access to health care services, and amenities including fitness rooms, salons, pools, patios, trails and walkways, or private gathering rooms to invite family and guests for special occasions.

... the integration of housing and health care services will continue to dominate affordable housing discussions.

With an eye on the future, developers of affordable housing will be challenged by the expectations and preferences of baby boomers, and many of their residents will want what's offered in private retirement communities. The hurdle we face is whether these services can be offered while keeping rents affordable.

WHERE YOU LIVE MATTERS

According to the AARP Livability Index's neighborhoods category, where people live—their neighborhood—is important. "Two important qualities are access and convenience," according to the index. "Compact neighborhoods make it easier for residents to reach the things they need most, from jobs to grocery stores to libraries. Nearby parks and places to buy healthy food help people make smart choices, and diverse, walkable neighborhoods with shops, restaurants, and movie theatres make local life interesting. Additionally, neighborhoods served by good access to more distant destinations via transit or automobile help residents connect to jobs, health care, and services throughout the greater community" (<http://livabilityindex.aarp.org/>).

In publicly supported housing, a housing model focused on attracting residents with common interests is emerging. In Burbank, California, for example, a group called EngAGE spurred the development of an arts-focused subsidized housing project, a first-of-its-kind 141-unit senior apartment community that offers art and creativity as the core physical and intellectual unifying amenity (<http://www.engagedaging.org/>). The community features a theater group, independent film company, fine arts collective, music program, and an intergenerational arts program with the school district. Its art displays and performances have become a significant neighborhood attraction.

Maine is not at that point—yet. Developers of affordable housing seeking financing through the competitive LIHTC program are scored higher if their projects include, in addition to affordable rents, access to community services and public transportation, accessibility for people with mobility concerns or disabilities, energy efficiency, and proximity to medical offices, grocery stores, and community services.

Maine does have a strong history of historic preservation and reuse of buildings in the community center. In Hallowell, the rehabilitation of the Cotton Mill Apartments in the downtown area affords residents easy access to shopping, restaurants, galleries, the library and post office. In Augusta, a recent housing development for seniors, the Cony Flatiron Building, maintains many of the elements of its former use as the community high school, such as the auditorium with a stage, yet incorporates many design features now in demand such as wider corridors, and common areas for social interaction.

INTEGRATING HEALTH CARE

Since housing is a social determinant of health, the integration of housing and health care services will continue to dominate affordable housing development discussions as MaineHousing and its partners look for ways to address the needs of an aging population. Increasingly, publicly funded housing is recognizing the relationship between health care and proximity to services for their roles in quality of life. Several public housing authorities in Maine operate health centers or clinics within their public housing properties in partnership with local health care organizations and nursing schools.

If older adults live in rural Maine, however, the services they may need may not be nearby, and transportation can be problematic. In Fort Fairfield, that became

clear. To address the need for affordable senior housing near health care services, the town and Fort Fairfield Housing Authority collaborated to build the Meadows, a 25-unit housing project for people 62 years and older near a clinic operated by Aroostook Medical Center.

There is a growing realization that technological advances will be an integral element of design in the merger of housing and health care. Through access to broadband Internet connections, residents can sit at their computers or in a specifically designated private room and discuss health concerns with physicians and other medical staff who are at off-site clinics or hospitals. Also, advances in sensor technologies could aid in home safety and connect people to emergency services, health care professionals, and friends and family. (See article in this issue by Kim et al. [2015] for fuller discussion of the issue of emerging technologies.)

STANDARD DESIGN FEATURES

It is through state and federal regulations, and more importantly through productive discussions among MaineHousing and its development partners, that the construction of new affordable-housing projects for older adults incorporates many key features to support baby boomers' demands to live independently in a community setting. Standard design features include accessibility and safety, technology, energy efficiency, and amenities.

In recent years, public funding at the federal and state levels has targeted efforts to expand the viability of independent living by incorporating features that reduce barriers. Accessible units include features individuals with physical limitations might need to function and be safe in their homes including wheelchair accessibility, while adaptable units can be easily be adjusted to facilitate the needs of those with limited mobility. Items such as grab bars, tub seats, nonslip or roll-in showers, and ramps are installed in each development.

Other universal-design features are standard including one-story living, wider doorways and hallways, level door handles, slow-closing storm doors, and automatic-opening building doors. Required features such as smoke and carbon monoxide detectors, sprinkler systems, increased lighting, and security systems ease worries for seniors who want to feel secure in their living environment. Even the thickness of drywall to lessen the noise coming from a neighbors' apartment is factored into construction.

Energy efficiency also is important to keep units affordable. A number of development projects presented to MaineHousing have included features such as thicker insulation and specialized double-paned windows, or alternative energy sources such as solar panels, which typically are financed through other sources.

In Farmington, energy efficiency was a must for Brookside Village Apartments, a 44-unit senior and disabled housing project that opened in 2014. While the apartments are hooked up to the utility company, the complex is a net-zero energy-use facility because solar panels and heat pumps use the constant temperature of earth to heat and cool the building.

For many Maine older adults, the reality of where they will live as they age could be different from what they had hoped or expected.

HAPPILY EVER AFTER?

For many Maine older adults, the reality of where they will live as they age could be different from what they had hoped or expected. While most older adults prefer to age at home, without societal connections and meaningful relationships, or money to pay for the community-building amenities that may come from residential care or similar living facilities, loneliness can set in, causing serious health problems such as diabetes, depression, decreased dexterity and function, and early death (Kim 2012). People aged 60 and older who reported feeling lonely saw a 45 percent increase in their risk of death, and isolated seniors had a 59 percent greater risk of mental and physical decline than their more social counterparts (Kim 2012).

In Maine, older adults who live alone constitute 5 percent of the state's total population, or 29 percent of the total elder population. Forty-six percent of elder households consist of a person who lives alone. Loneliness and living alone, however, are not connected. The biggest surprise to researchers was that two-thirds of older adults who said they were lonely were either married or living with a partner of some kind (Kim 2015).

"It's so easy to combat loneliness in the elderly," said Bobby Smith, a professional caregiver with more than

six decades of elderly care experience, in “The Elder Loneliness Epidemic,” an article on AgingCare.com. “But caregivers have to be willing to get up and make that happen.”

Emotional experiences are integral to a person’s sense of well-being. “By ascertaining the emotional experiences of older people, we can assess the appropriateness or individual-environment fit of a wide range of settings, whether ordinary homes or planned senior housing, residential care settings, or even nursing homes” (Golant 2015: 24).

In the affordable senior-housing sector, that responsibility will rest in greater part on property management companies and will require partnerships with health care providers, social service providers, and community-based programs.

WHAT’S NEXT?

For those involved in the development of affordable housing, the questions of when elders plan to move and where they’ll choose to live their last years—if they choose to move at all—are uncertain. For elders on fixed or reduced incomes, waiting too long can narrow their choices. Three of the four senior housing communities mentioned in this article—Cotton Mill, Fort Fairfield, and Brookside Village—were at capacity within a year’s time of opening. Cony Flatiron is nearing full occupancy after a few months.

Having an adequate amount of funding to maintain, increase, and administer affordable-housing development, rental assistance, and weatherization and home-repair programs will continue to be a challenge for affordable-housing providers. The rate of growth in public investment that occurred in the last 100 years may not continue and indeed may not even be sustained at today’s level. While “doing more with less” is a common phrase among financing agencies, for those housing agencies on the front lines, telling low-income households that there is a multiyear waiting list for housing is much more often the reality.

While there is uncertainty about the future, one thing is certain: the housing choices that baby boomers make as they reach retirement and how the housing sector responds to these choices will likely make the history books. One hundred years from now, the transformative effect will likely be comparable to the effect of change over the last century. 🐟

ACKNOWLEDGMENTS

MaineHousing employees who contributed to this article include Richard Taylor, research manager; Deborah Turcotte, public information manager; Bill Olsen, senior supportive housing loan officer; and Chauncey Devin, research intern and Amherst University senior, from Damariscotta.

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