



Building a Community

Affordable Rental Projects for Seniors Require Smart Design, Adequate Services, Social Opportunities

Park View at Severna Park, a brand new garden apartment community near Annapolis, Md., is an example of the type of affordable senior rental properties being developed today.

Developed by The Shelter Group and managed by Shelter Properties, both based in Baltimore, the development contains 103 spacious one- and two-bedroom apartments restricted to renters 62 and older and has extensive amenities, services, and conveniences that the company's Web site says are designed to help independent seniors "live life to the fullest."

Funded in part by federal low-income housing tax credits, Park View at Severna Park features apartments with fully equipped kitchens, bathrooms with enhanced safety features, and washers and dryers. Common area

amenities include a patio and gazebo, computer café, multi-purpose community room, theatre and media room, and wellness suite. The community, located near health care providers, transportation, and shopping, supports residents with educational, social, and recreational programs customized to meet the needs of residents through Shelter's community-based nonprofit partner, Partners in Care.

Great Demographics...But

The numbers alone suggest that developing an affordable apartment community for seniors should be a slam dunk: by 2030 the number of Americans 65 and older is projected to double, to 70 million.

Senior, continued on page 17

Senior, continued from page 16

“There’s a big need for senior housing and growing demand,” says market analyst and appraiser Cash Gill, of Gill Group, Inc., Dexter, Mo. “And from what I read we’re not keeping up with it.”

But while the demographics are powerful, the true picture is more complicated.

This is partly because of the wide diversity among seniors – in age, physical condition, finances, needs, and tastes. This diversity creates demand for many different types of housing, including market-rate and affordable age-restricted apartment communities, independent and supportive living projects, assisted living facilities, continuing care retirement communities, and more. There are also different definitions of age-restricted housing for seniors, 55+ and 62+. (See article on p. 22).

According to industry participants, affordable senior rental projects for seniors – such as those financed by housing tax credits – come with both pros and cons compared to family projects. Senior LIHTC properties typically have a much lower tenant turnover rate. And proposed projects are less likely to run into neighborhood opposition – so-called NIMBYism. On the flip side, they usually take longer to lease up, although those with project-based Section 8 rental assistance can fill quickly, says CEO Jenny Netzer of Boston-based TCAM, a company that provides LIHTC asset management and other services. Also, 55+ projects naturally have a larger prospective applicant pool than 62+ developments.

Senior properties generally require more services for residents than family properties, and pose the added challenge to owners and managers of figuring out how to help tenants stay in the community as long as possible as they get older and frailer.

“What seniors are looking for today, and probably will more in the future, is to be able to age in place,” says Nancy Libson of LeadingAge, a national membership organization for nonprofits that advocates on senior issues. “That means having the services available over time that they’ll need to keep them out of nursing homes, to keep them out of hospitals time and again, to keep them out of emergency rooms.”

One challenge is that many state allocating agencies today favor family over senior projects in awarding

9% low-income housing tax credits. “Most state housing finance agencies have put their emphasis on family housing – and rightfully so,” says market analyst and consultant Lynne Sweet of LDS Consulting Group, LLC, Newton, Mass. “But there is this other population that really needs to be able to have some housing choice.”

Sweet noted there is increased pressure on housing credit programs to fund senior projects because there are few new elderly rental developments being funded under the U.S. Department of Housing and Urban Development’s Section 202 program. In addition, she said, “the wait lists for family and elderly public housing are growing everywhere.”

Similarly, the USDA Rural Development Section 515 program, responsible for producing a huge number of affordable rural rental housing units for seniors over many decades, isn’t funding new units any more, for seniors or families.

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— NANCY LIBSON, LEADINGAGE

Elements for Success

When it comes down to it, the successful development and operation of affordable senior rental housing communities requires attracting and retaining senior renters. Critical elements include:

- **A good location.** Senior renters, many of whom don’t own cars, want to have access to reliable transportation (public or private) and be near doctors’ offices, medical facilities, the local senior center, drug stores, shopping, etc. “The best sites I’ve seen have proximity to those services that seniors use,” says Gill.
- **Smart design.** Developments need to be designed to accommodate seniors’ special needs (physical, social, lifestyle, etc.), both in the apartments and in the property’s common areas. This may mean apartments with door handles rather than doorknobs (easier to use for someone with arthritis); light switches at lower levels for persons in wheelchairs or with mobility limitations; no carpeting or carpeting that won’t snag walkers; cabinets at lower heights; grab bars in bathrooms; and “pull cords” that residents can reach and tug if they fall down to summon assistance. “It goes piece-by-piece as you think about the types of systems that will make this ideal

Senior, continued on page 18

Senior, continued from page 17

for people who are in their seventies and aging,” says Jeffrey Hettleman, Principal and Executive Vice President of Shelter Development, LLC. Properties also need attractive common amenities as well as plenty of space for socializing, activities, services, and programs.

- **Ample room.** Seniors generally want apartments with at least one bedroom and preferably two, to have room for their possessions and for visiting relatives and friends. Studio and efficiency apartments are non-starters in most locations. According to officials, the typical occupant of a senior LIHTC apartment is a single female.
- **Services (social, supportive, etc.).** “Services are key at any property,” says Hettleman. “Providing services is what ultimately makes you successful, by providing more than just shelter for your residents. If you want to have satisfied residents, limit turnover, and maximize customer satisfaction – all of which translate into good business – finding a way to provide services is very important.” This means an array of social events and opportunities so the property creates a sense of belonging among residents, and providing or arranging access to services (health-related, educational, etc.) that meet the needs of residents and enable them to stay independent.

Jeffrey Goldstein of Boston Capital and Greg Hand of WNC & Associates, Inc., two companies that syndicate low-income housing tax credits, favor affordable senior apartment projects in good locations with solid demand that provide amenities and services to address the needs of seniors and enable them to age in place. They also look for sponsor experience in developing senior tax credit properties.

“We want a deal that provides services,” says Hand. “It can be a wide variety. What’s important is that there be services that will not only attract seniors but also provide a sense of community.”

Goldstein added, “In addition to just market demand, you have to think a great deal about design and the needs of seniors at various points in their lives. A 55 year old is a bit different from a 65 year old or 75 year old.”

Goldstein says Boston Capital likes to see such property features as social events, meal programs, and health care services.

Customized Service Plans

The Shelter Group devises a customized tenant services plan for each of its senior properties. The specific activities and services are determined by what the residents want, the availability of particular services and service providers (e.g., nonprofits), the cost of services, the availability of grants or other subsidies to help pay for services, and the project’s budget. In some cases local nonprofits provide services for free; in other cases service providers charge.

Common social activities at Shelter’s affordable senior properties include bingo nights, speakers, coffee hours, parties, and even Wii video game competitions. “Those have really taken off,” says Hettleman. On-site services often include health care screenings, flu shots, exercise and other classes, computer and Internet training, library book drop-offs, and on-site meal programs or delivered meals.

Shelter also tries to arrange for transportation for residents so they can go to the doctor, go shopping, etc. This may mean coordinating with local governments or transit agencies that provide van-type service. Shelter has also used grants to purchase three vans that are shared by many of its affordable senior properties.

In addition, to better serve residents, address the aging-in-place issue, and generate added revenues, Shelter has helped create a new company called Tribute Home Care that will offer senior residents various services to assist them with daily living that are ineligible for Medicare reimbursement. “Housekeeping, medication management, shopping, dressing, bathing – whatever they want,” Hettleman says.

At Homes for America, Inc. (HfA), a nonprofit housing sponsor based near Annapolis, Md., services are also a crucial element at its 35 affordable senior rental properties – including 30 LIHTC projects – in the Mid-Atlantic.

Julie McCabe, HfA’s Manager of Resident Service Programs, who oversees the design and delivery of services at all of the nonprofits’ rental properties, says a services package is crafted for each development. Some senior properties have an on-site resident services coordinator, such as in cases where a grant is obtained to fund this position, but at most properties the site manager helps to coordinate the services.

HfA President Nancy Rase says that property operating budgets typically can’t afford an on-site resident services coordinator and comprehensive services. As a result,

Senior, continued on page 20



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Senior, continued from page 18

Homes for America relies heavily on services and programs provided by local nonprofits, local agencies, and other entities that HfA partners with in order to cost effectively deliver services to its residents and address their needs.

HfA's senior properties see "strong demand," says Rase. "We pretty much have waiting lists everywhere." In 2011, the average occupancy rate was 95% and the average turnover rate a bit less than 14%. According to Rase, 90% of the senior units are occupied by individuals; 9.2% by two persons; and 0.2% by three or more persons. HfA's senior properties typically contain a mix of one- and two-bedroom apartments.

Creativity Required

Creativity is certainly the watchword in developing affordable senior rental housing projects these days.

For instance, Homes for America, in partnership with a local nonprofit that runs the local senior center, developed a senior property in Hurlock, Md. next to a building that houses both the senior center and a respite care facility for disabled persons. "We even have a walkway that connects the two buildings so that [residents] can get over there for their activities," says Rase.

At several of its senior properties in Anne Arundel County, Md., Homes for America has partnered with the county Department of Aging for weekday delivery of hot meals to residents. It's also partnered with several senior centers that pick up its residents and take them to and from the senior center. Homes for America pays the senior center for the cost of transportation and the resi-

dents' annual membership fees.

LDS Consulting Group's Lynne Sweet reported one client is planning to use federal housing tax credits to create affordable one- and two-bedroom apartments for seniors in Webster, Mass. through the renovation and adaptive re-use of an historic former school building in which the town is going to locate the local senior center. The site is next to City Hall and a library and a block from the hospital. "There really is no senior housing choice today in this part of Massachusetts, the Greater Worcester area," Sweet says.

Rase reported that more and more residents at HfA's senior rental properties are being served on site by visiting home health care nurses and personnel; the services are Medicare-eligible. "Home health care works," says Rase. "We certainly encourage and facilitate that."

According to LeadingAge's Nancy Libson, new models of combining affordable housing and health care for seniors are emerging, often tapping both federal housing dollars or incentives and federal health care monies.

An example of a hybrid model is the co-location of "PACE Centers" in buildings containing affordable apartments for seniors or adult day health centers.

PACE (Program of All-Inclusive Care for the Elderly) is a federal program that provides comprehensive long-term health care services and supports to Medicaid and Medicare enrollees, delivered in coordinated fashion by teams of health professionals. Recipients receive care at home or at another location, such as at a PACE Center.

Libson reported that PACE Centers have been co-located in some public housing communities in Pennsylvania. **TCA**



Park View at Severna Park
Severna Park, Maryland
Developer: The Shelter Group
Photo by Ken Wyner