



Legislative Task Force on Aging: Housing for Older Adults

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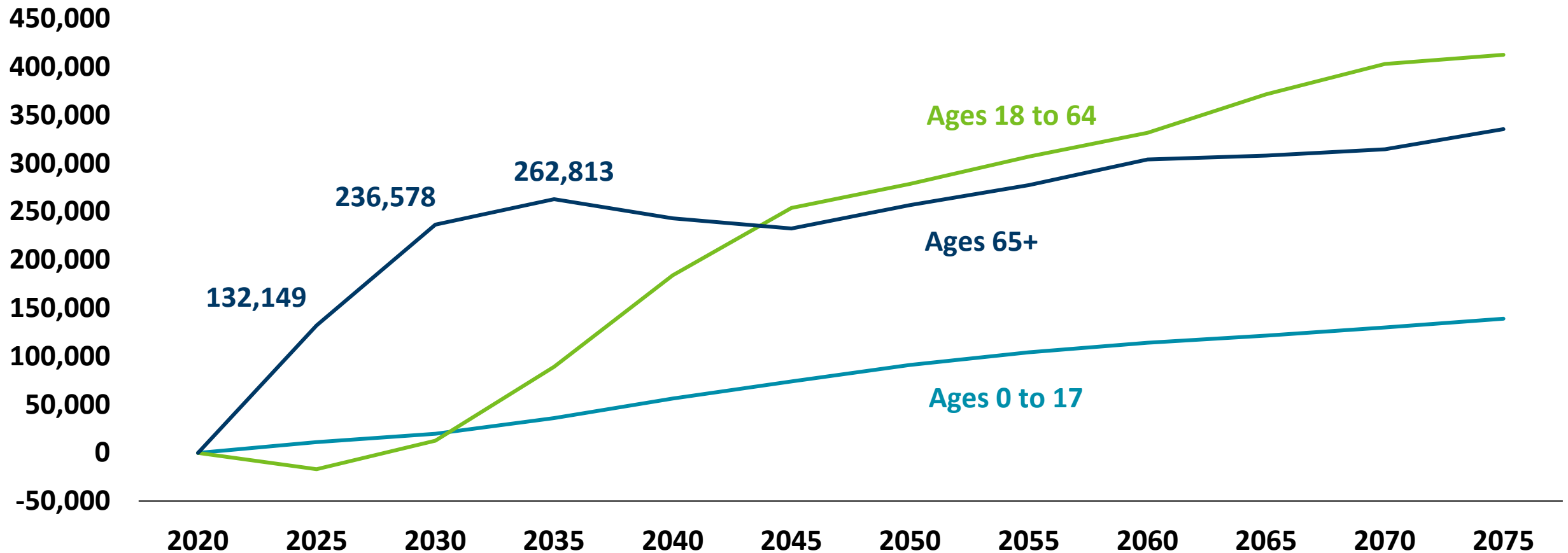
Our Vision: Big, Audacious Goal

All Minnesotans live and thrive in a stable, safe and accessible home they can afford in a community of their choice.



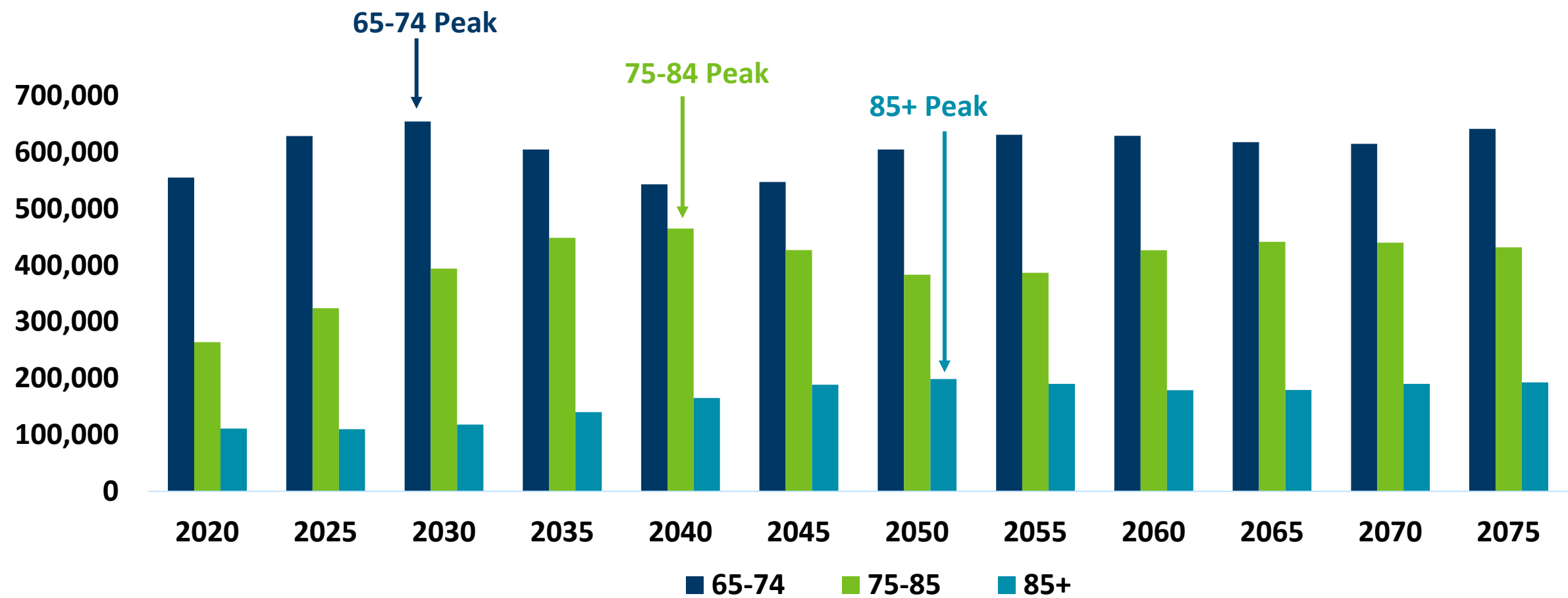
The Housing Needs of Older Adults

Population Growth in MN after 2020 by Age: Older Adults Will Have the Largest Growth through 2035



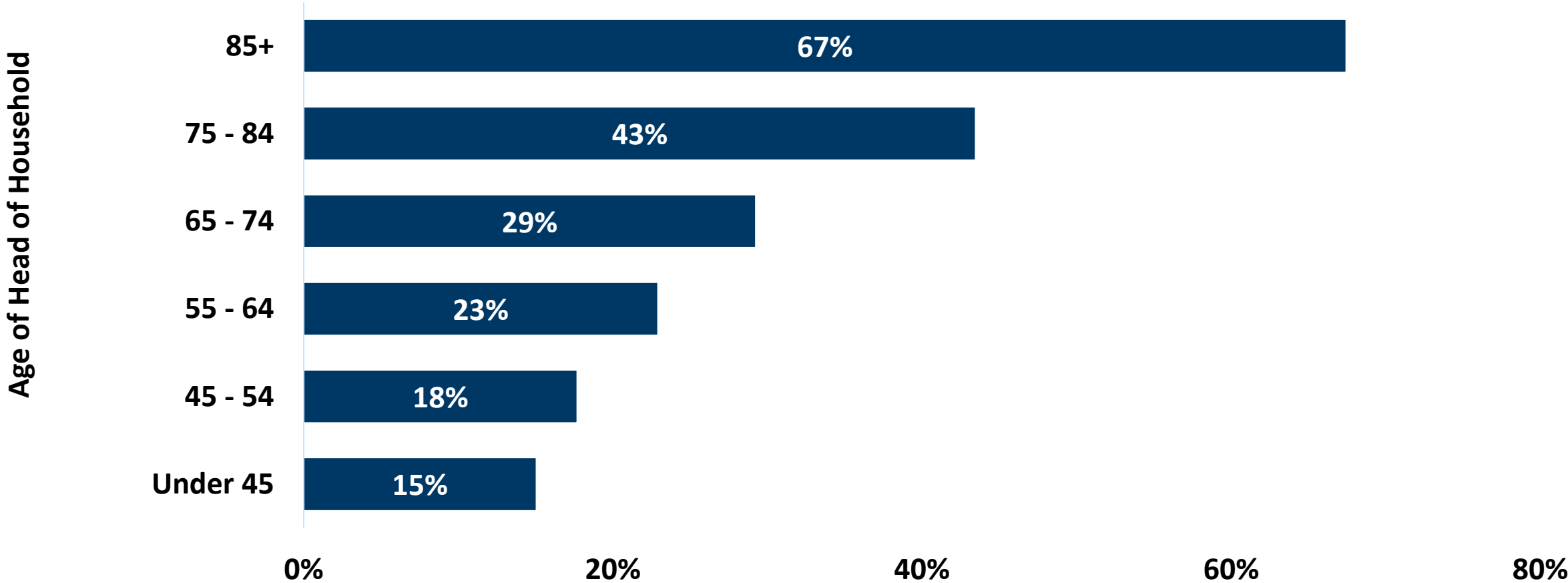
Source: Minnesota Housing analysis of projection data from the Minnesota State Demographic Center

Population by Age: MN Won't See the Peak of People Age 85+ until 2050



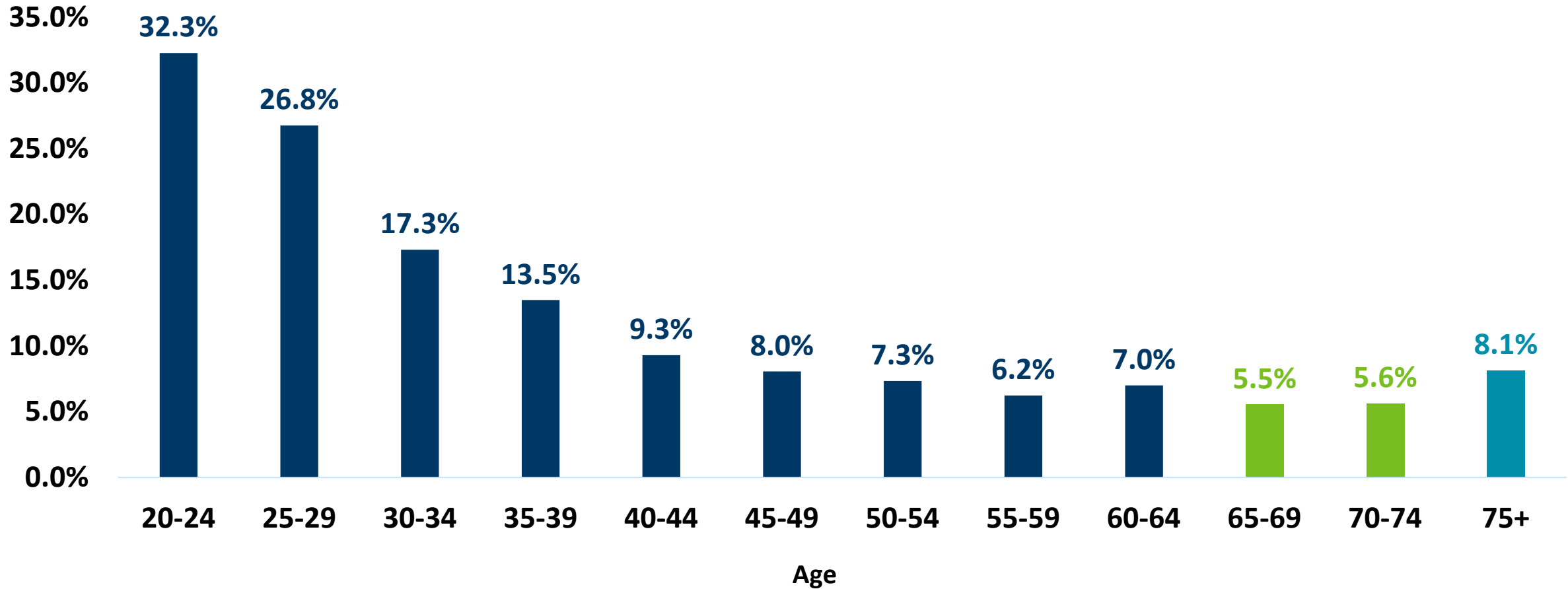
Source: Minnesota Housing analysis of projection data from the Minnesota State Demographic Center

Share of MN Households with a Person with a Disability: Disabilities Increases with Age



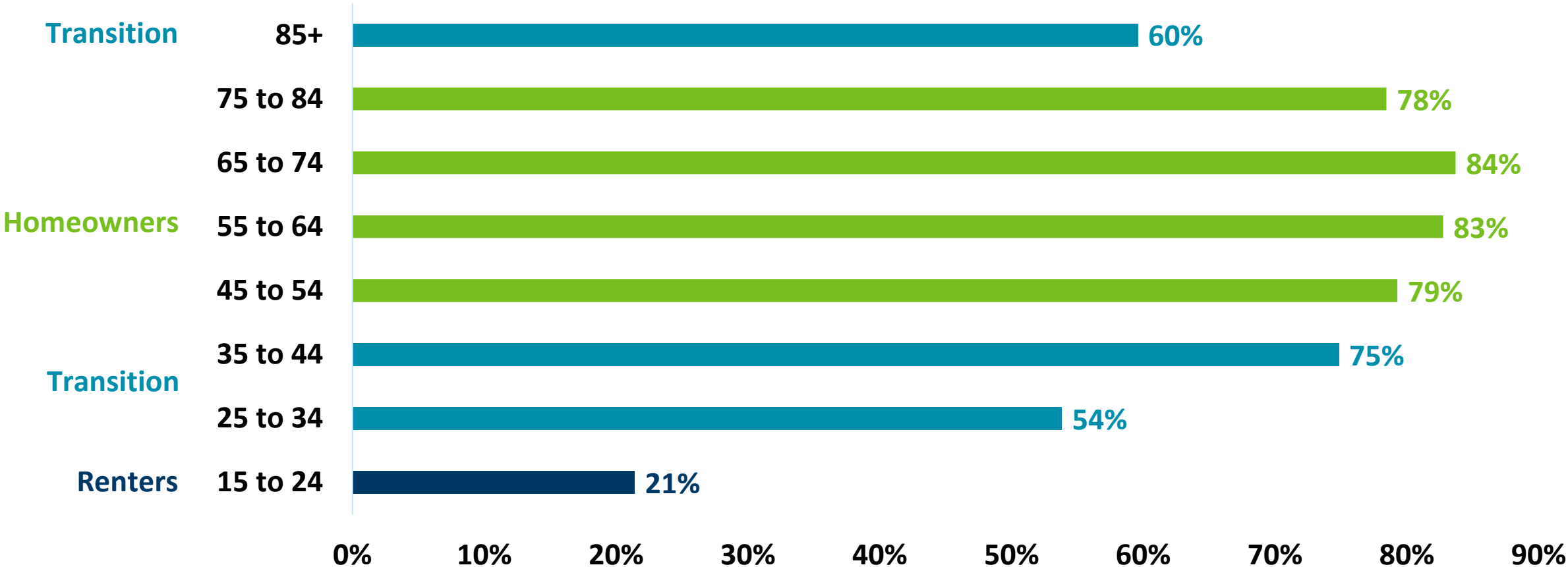
Source: Minnesota Housing analysis of data from the American Community Survey (2022, 1-year, IPUMS microdata)

Share of People in who Moved in the Last Year by Age: 65 to 74 Year Olds are the Least Likely to Move



Source: Minnesota Housing analysis of 2022 American Community Survey data (1-year data)

Homeownership Rates in MN by Age: Homeownership Stays High through Age 84



Minnesota Housing analysis of data from the American Community Survey (2022, 1-year data)

Incomes and Housing Tenure of Minnesotans Age 62+: Most Older Adults are Homeowners, Even the Lowest Income

Income Level	Homeowner-ship Rate
<=30.0% Area Median Income (AMI)	51%
30.1% to 50.0% AMI	71%
50.1% to 80.0% AMI	83%
80.1 to 100.0% AMI	87%
Greater than 100.0% AMI	93%
Total	80%

Source: Minnesota Housing analysis of HUD CHAS (Comprehensive Housing Affordability Strategy) data, 2016-2020

Repair and Retrofit Needs of Extremely-Low Income Older Adults in MN who are Homeowners

- 16,400 homeowner households with income at or below 30% of AMI have home rehabilitation needs to remain in their homes for the next five years – For example:
 - New water heater 27%
 - New windows 25%
 - New roof 21%
 - Grab bars or handrails 21%
 - Shower at floor level 20%
- On average, nearly \$16,000 of work per home
- \$250 million of rehabilitation needs over the next five years (or \$50 million annually)
- 12,000 of these households also have unmet in-home service and support needs
- Data is seven years old – we now have more older Minnesotans, and repair/rehab costs are much higher.

Source: Wilder Research, An Assessment of Home Renovation and Rehabilitation Needs of Older Adult Homeowners in Minnesota, December 2016



Minnesota Housing's Work

Home Rehabilitation Resources for Lower-Income Older Homeowners

Minnesota Housing Programs	2023 Disbursements	Share of Clients that are Older Homeowners
Rehabilitation Loan Program	\$5,800,000	52%
Economic Development and Housing Challenge (Single Family)	\$5,700,000	18%

Program Constraints

- Local administrators to run the programs
- Local contractors to do the work

Resources to Rehabilitate and Preserve Rental Housing for Lower-Income Older Adults

Rental Housing for Older Minnesotans	Housing Units	% Older Adults	Rehabilitation / Preservation Program	2023 Disbursements	Housing Units Assisted in 2023
Project-Based Section 8 Rental Assistance	29,900	48%	Preservation Affordable Rental Investment Fund	\$20,900,000	574
Section 202 Housing with Rental Assistance Contract*	2,400*	100%			
USDA Rural Development Section 515	9,200	25%**	Rental Rehabilitation Deferred Loans	\$3,200,000	154
Public Housing	20,000	51%	Publicly Owned Housing Program	\$5,400,000	651

* This is not all the Section 202 units, but those with a Project-Rental Assistance Contract (PRAC). Nationally, PRAC units account for 42% of all Section 202 units.

**Elderly designated units. The percentage of older adults is higher with some older adults living in general-occupancy units.

Resources to Develop New Rental Housing for Lower-Income Older Adults

- The state’s primary funding source for developing new affordable senior housing is Housing Infrastructure Resources
- Senior housing (55+ age restriction) first became an eligible use of the funds in 2019
- Since then, Minnesota Housing has awarded \$140 million to 19 new senior developments with 1,114 housing units

RFP Year	Senior Developments Selecting for Funding	Funding Awards	Housing Units
2019	4	\$24,371,183	265
2020	5	\$29,414,000	272
2021	6	\$51,049,000	364
2022*	0	\$0	0
2023	4	\$35,999,000	213
Total	19	\$140,833,000	1,114

* No new Housing Infrastructure Resources were available.



Recommendations

Support housing choice and a range of options:

- Rehabilitating and retrofitting existing housing (rental and owner-occupied)
- Developing new housing that is age-friendly (universal design)
- Developing age-restricted senior housing

Support funding for:

- Housing Infrastructure Resources (No base budget, bonding bill or one-time appropriations) *
- Economic Development and Housing Challenge (base biennial budget = \$29.5 million) *
- Rehabilitation Loan Program (\$5.5 million)
- Preservation Affordable Investment Rental Fund (\$8.4 million)
- Rental Rehabilitation Deferred Loans (\$7.5 million)
- Publicly Owned Housing Program (No base budget, bonding bill or one-time appropriations)

* Can be used for both new construction and preservation.

Support age-friendly housing:

- Support efforts to coordinate:
 - Developing, preserving and retrofitting affordable housing
 - Connecting housing with services and transportation

Which is largely done at the local level

- Support programs like Community Aging-In-Place - Advancing Better Living for Elders (CAPABLE), which brings together a registered nurse, occupational therapist and home rehab specialist to identify and make home improvements that are coordinated with services.

Alternative Age-Friendly Models

- Look at alternative types of age-friendly Housing:
 - Accessory dwelling units (ADUs)
 - Shared housing (older adults living in a home together)
 - Intergenerational home sharing (older adults renting a room to a younger housemate, who can help with household chores, with appropriate protections for the older homeowner)
 - Cohousing communities (intentional communities that foster connection and support)
 - Multigeneration housing
- Missing middle housing provides opportunities
 - Duplexes, triplexes, quads, smaller multiplex apartment buildings, etc.
 - Increased affordability and opportunities for social connections
 - Accessibility needs to be a priority, especially with older existing housing

Age-Friendly Communities

- Support age-friendly communities and holistic planning
 - Housing
 - Transportation
 - Outdoor spaces and buildings
 - Social participation
 - Respect and social inclusion
 - Work and civic engagement
 - Communication and information
 - Community health services
- Make the Governor's Council for Age-Friendly Minnesota a permanent entity

Thank You!

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