

## Challenges to Seniors’ Maintaining Safe Housing, Good Health and Independence

**T**wo anecdotes capture the intersection of affordable housing and healthcare that dominates the issue of helping seniors live where they want, stay in good health, and remain active in their communities.

*In the Kirkwood neighborhood of Atlanta, Catherine Ivy<sup>1</sup> of the Visiting Nurse Health System recalled a visit one day with Mrs. Jones (not her real name), an elderly woman she had known for about four months. After some trust was established between them, the woman said, “Ms. Ivy, I just want to show you something. I don’t think you can do anything about it, but I want to show you something.” Mrs. Jones led the way into her bedroom, which Ivy had never been allowed into before. Overhead, in the ceiling, was a hole about two feet in diameter. You could see sky through it. Ivy asked, “Mrs. Jones, where are you sleeping?” She said, “In here. This is my bedroom.” The hole wasn’t right over the bed, and Mrs. Jones explained she used a plastic sheet on rainy nights to keep from getting splattered.*

*Near Boston, Ellen Feingold of Jewish Community Housing for the Elderly<sup>2</sup> told of Mrs. Greene (also not her real name, either), a tenant leader and real go-getter in one of JCHE’s buildings. In her late 80s, Mrs. Greene was on the tenant council, at the front desk, calling bingo – whatever activity was going on, she was there. Then one day, she stopped coming out of her apartment. People would call and ask, “Aren’t you coming to the tenant council?” and she’d say, “I don’t feel like it today.” After about 10 days of this, Mrs. Greene’s friends urged Feingold and others to call. It turned out that Mrs. Greene could no longer put on her stockings, and since no self-respecting lady would go out without them, she stayed in.*

One woman had access to health services but a house that needed repairs; the other had a good home but needed help with daily life.

The stories of Mrs. Jones and Mrs. Greene both have happy endings: a local church fixed Mrs. Jones’s roof and made some other repairs and, for 50 cents a day,

a neighbor came every morning to help Mrs. Greene put on her stockings. But what if there weren’t a Catherine Ivy or an Ellen Feingold in their lives? Even if their pride didn’t stop them from seeking help, would they have known where to find it? And if they did find help, would the solutions have been as simplistic and affordable as these?

Like these two seniors, millions of others have problems getting adequate care or adequate housing, or both. They fall along a financial continuum from middle class to very poor or even homeless.

As NeighborWorks® organizations go about their day to day work, they are increasingly finding themselves examining the needs of seniors in the communities they serve and considering the long-term ramifications of changes in this market over time. Among the issues that are coming to the fore are:

- ▶ The need to preserve housing structurally;
- ▶ The need to help the elderly keep their homes;
- ▶ The need to develop multifamily housing and deliver on-site assisted-living services;
- ▶ The need to foster collaboration with healthcare and social service agencies; and,
- ▶ The need to integrate their work with seniors into overall neighborhood revitalization activities.

## Housing Preservation

The idea that most seniors retire and move to Florida or Arizona is generally a myth, particularly with respect to the lower-income seniors served by NeighborWorks® organizations. Seniors typically remain in their homes even as their housing needs change, some because they want to stay in their communities, others because their lack of wealth limits their choices. As a result, many seniors refuse to leave homes that are in fairly deplorable condition. Others whose homes are in good shape may still need modifications to help them cope with disabilities or avoid falls and other accidents that often precipitate their need for more serious healthcare.

Housing preservation is thus a critical piece of having seniors remain safe in their homes for as long as possible. It is also important to seeing that housing stock stays in good repair for the next generation of homeowners or for the family members who inherit. For the sake of the community, keeping these units in good repair and safe for the families who live in them

<sup>1</sup> Ms. Ivy was a panelist at the Aging in Place forum in Atlanta.

<sup>2</sup> Ms. Feingold is also co-chair of the U.S. Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century (the Seniors Commission), which was created by Congress to study and report on the housing and health needs of the next generation of older Americans. Ms. Feingold was a panelist at the Aging in Place forum in Atlanta.

helps to reduce insurance and healthcare costs and helps maintain property values.

However, reaching these seniors can be a challenge. Even though of the five million households that include a senior, two million express a need for modifications in order to function well, seniors often don't ask for such help, or they have trouble finding reputable contractors and affordable loans that make such renovations possible.

Ironically, many of the repairs that can greatly increase the longevity of both the housing and its occupants are relatively inexpensive: adding handrails near bathtubs, constructing wheelchair ramps, making minor improvements to roofs, repairing concrete steps and other such modifications, which can usually be done for less than \$1,000. Unfortunately, many contractors don't want to do such small jobs, so either they inflate the work that needs to be done or a repair situation deteriorates until a small problem becomes a much larger and more costly problem.

While the work of NeighborWorks® organizations is "placed based" and not "population based," organizations see successful outreach to seniors as critical to their housing preservation efforts and to ensuring the stability and diversity of their communities. One key element to program design is to have construction specialists on staff or agreements with contractors they trust who visit with seniors to assess and provide what they need, oversee the rehabilitation process and guarantee its quality.

The construction specialists frequently work closely with NeighborWorks® organizations' lending staff who help find the resources to fund repairs at minimal cost. This often means piecing together financing from different public, private and nonprofit sources to cover such costs as weatherization, emergency repairs and disability retrofitting. Some seniors benefit from volunteer efforts that the NeighborWorks® organization coordinates so that repairs can be done at no cost. These situations are often offered in coordination with other agencies (such as Christmas in April) and during the annual National NeighborWorks® Week held during the first week of June.

## Helping the Elderly Keep Their Homes

Through the efforts of the NeighborWorks® Campaign for HomeOwnership and the work of the organiza-

tions participating in the Campaign, it has become clear that **financial literacy training and foreclosure prevention** are important to preserving housing both for families and for the health of neighborhoods. Senior households are no exception.

Many older people have wealth not only in their homes' equity but also in their savings or retirement plans. But a large number of low- to moderate-income seniors have trouble making ends meet, especially when they need expensive healthcare and discover (usually to their and their families' amazement) that co-pays are expensive and that Medicare doesn't even cover items such as long-term care. While they at one time might have been good managers of their family's needs and made prudent financial decisions, as their vulnerability increases so do the financial risks they knowingly or unknowingly take.

Evidence of how serious a problem this has become appeared in an April 25, 2002, article in *USA Today*, which noted that, "although older Americans account for a small proportion of total personal bankruptcy filings, they are the fastest-growing group in bankruptcy. About 82,000 Americans 65 or older filed for bankruptcy in 2001, up 244 percent from 1991 ..." Reasons for this sobering problem are many: a skyrocketing level of household debt – up 164 percent on average in eight years – much of it credit-card debt; major medical emergencies (with out-of-pocket healthcare expenses for seniors having increased nearly 50 percent from 1999 to 2001); major home repairs; loans to children or grandchildren; and, sadly, exploitive relatives who get power of attorney and clean out the elderly person's bank accounts. In some cases, loneliness and boredom result in seniors seeking solace in gambling, sometimes sending them spiraling into debt.

To meet these new financial burdens, more and more elderly Americans are taking out second mortgages on their homes. One downside of this is that, because many of their homes have appreciated in value, seniors are an easy and frequent target for predatory lenders. These lenders persuade seniors and others to take out high-interest loans that they can't afford to repay. Even if a senior can retain his or her home after being coerced by a predatory lender, this situation takes an emotional toll on the individual, furthering feelings of vulnerability and eroding self-confidence. The impact of such lending practices also affects the community as a whole, threatening to undo much of the neighborhood revitalization that has taken place over the past 20 years.

While NeighborWorks® organizations are well aware of the need for financial literacy training among their general customer base, they have become increasingly concerned that the seniors in the communities they serve are mismanaging their money or being taken advantage of by others. They see proof in the number of seniors accessing food pantries that they and others operate, and they see a large number of foreclosures of homes once belonging to elderly residents. As a result, NeighborWorks® organizations are modifying many of their programs and products to specifically help seniors.

First, they are incorporating Financial Fitness<sup>5</sup> and other financial literacy programs into their educational efforts and reaching out to churches, social service agencies and others to attract seniors to these classes.

Second, they are seeking ways to specifically help individuals who are strapped for cash or in debt as a result of a predatory lending deal. A few offer special buy-out products to help the senior refinance out of the predatory loan and into an affordable product. As part of the refinancing process, they also help seniors access legal services.

Third, many NeighborWorks® organizations have programs to combat the delinquencies and imminent foreclosures faced by their clients. Early-intervention strategies, such as sending postcards or making phone calls to clients whose mortgage payments are late, have helped many individuals confront their financial problems and take steps to addressing them. Intensive budgeting and credit counseling have also proven successful.

Another strategy employed by NeighborWorks® organizations is to offer affordable short- and long-term financing products that are either specifically geared to seniors or address situations seniors often find themselves facing.

These products include:

- ▶ Reverse and home-equity conversion mortgages;
- ▶ Loan funds that can be drawn upon for short-term loans to get a buyer over a one-time hump that, if not addressed, could lead to foreclosure;
- ▶ Low-cost loan funds for rehabilitation of homes that are in such disrepair that their owners are prime targets for predatory lenders; and
- ▶ Refinancing products that enable loans with high fees and/or high interest rates to be restructured.

## Developing Multifamily Housing and Delivering On-Site Assisted-Living Services

Home-owning seniors are not alone in wanting to age in place for as long as possible. Older renters also want to remain in their homes and communities, and multifamily housing complexes often play a crucial role in bringing seniors together where they are more likely to find programs geared to their needs. However, the challenge for low-to-moderate income seniors who rent is not only finding affordable housing but, for those who require some level of assisted care, finding and paying for home-based services. In general, elderly renters are far poorer than their home-owning peers, which further limits their choices.

According to the Joint Center for Housing Studies, Harvard University, study, *Housing America's Seniors*, in 1995, "renter households headed by a person 65 or older – one-fifth of the senior population – had a median net worth of only \$6,460." This lack of income means that elderly renters can't afford the out-of-pocket costs of home health aides who can assist with bathing, dressing, housekeeping and other chores. Renters also aren't in a position to make modifications to their apartments, and landlords aren't often interested in having modifications made, much less pay for them.

Ideally, NeighborWorks® organizations and other nonprofits would be able to create assisted-living facilities for seniors in this income bracket.<sup>4</sup> However, while organizations can design buildings with features needed by seniors and defined by code, the funding sources for bricks and mortar are typically distinct and separate from those used to underwrite supportive services. The higher the level of services, the more difficult it is to find the needed resources.

In addition, HUD housing subsidy formulas don't accommodate the costs of assisted-living amenities such as meals, utilities, activities, transportation, etc. which appear in one monthly bill. HUD also insists that tenants have long-term leases, which assisted-living facilities typically don't sign because the needs of clients can change so suddenly (for example, a resident could become very ill and suddenly need nursing-home care).

Furthermore, the cash flow on properties built for a lower-income population does not allow for the underwriting of assisted care, nor can the organizations

charge the services back to the already financially stressed resident. The smaller the community, the greater the disconnect between the high costs of building to code for such facilities and the amount that residents can afford to pay for rent and for assisted care.

Gap financing needs to be found to bridge this divide, a role being explored by Neighborhood Reinvestment and its secondary market, Neighborhood Housing Services of America. There are other constraints as well, such as some nonprofit boards' concern about the costs of liability insurance. Still, nonprofit organizations that build rental housing for seniors are finding ways to deliver scaled-back supportive-services programs by establishing partnerships with service care organizations that bring assistance on site or by building internal capacity to coordinate services themselves.

For those organizations that work with seniors whose incomes are at or below 80 percent of area median, HUD finances the construction of multifamily housing through its Section 202 program. This program also pays for service coordinators at these sites who educate residents about services available in the community and link them with programs such as Meals on Wheels, transportation, counseling, etc.

## Fostering Collaborations with Healthcare and Social Service Agencies

The nonprofit healthcare and social services industries have also been on the cutting edge of developing services for seniors that enable individuals to age in place more easily. These agencies coordinate both basic and acute home care and medical services, addressing the mobility, health and personal care concerns of seniors. Their programs are often available to both poor and middle class seniors, and have been funded by both public and private sources. These services are typically either available throughout a geographic area or are targeted specifically to a NORC, a naturally occurring retirement community, where a critical mass of individuals has begun to age in place.

The agencies that deliver these services are instrumental in coordinating the work of nursing aides and home caregivers, assisting seniors who otherwise might not find reliable care on their own. The agencies also help seniors get the attention they need incrementally, by working with aides and medical

personnel to parcel out time to individual customers in nearby locations, producing more efficient and timely deliverables. Scheduling services for when seniors actually need them, and only for the necessary length of time, rather than having the seniors be at the mercy of a caregiver's overburdened schedule, can make a vast difference in helping a senior feel more independent and confident.

Such agencies often centralize medical and assisted-living services where feasible through healthcare and adult day care clinics or by coordinating with other providers to transport seniors to these types of facilities. This not only helps to ensure services can be delivered by making them cost effective, it also can help bring otherwise isolated seniors to community locations where they can socialize and also exchange important information with each other and their service providers. For seniors who have reliable family-based care, these group settings can also be valuable resources for them as well as their relatives.

Health and social service agencies also play an important role in helping seniors pay for the critical medical and personal care services that they need by either directly coordinating the services on behalf of the client, or by sharing essential information on how to qualify for and best use Medicaid, Medicare and their own retirement funds. These agencies also often work within their industry to find affordable prescription and acute care options to further the assistance they directly and indirectly provide to the variety of customers they serve.

It is increasingly important for housing organizations to collaborate with healthcare and social service agencies in order to meet the diverse needs of seniors. The formation of successful partnerships is critical if communities are to effectively arrange for funding from numerous sources to develop appropriate service infrastructures. These collaborations can also be instrumental in working with state and federal agencies to not only stretch limited dollars, but also assist these agencies in supporting local and regional solutions.

## Integrating Senior-Focused Activities with Neighborhood Revitalization Strategies

The complex task of revitalizing neighborhoods requires organizations to assess and understand a complex set of issues that affect the social infrastruc-

<sup>5</sup> Financial Fitness began as a demonstration program of 24 NeighborWorks® organizations engaged in providing financial-literacy training to residents. Corporate and foundation partners are providing a total of \$2.5 million to fund the program over a three-year period. FDIC and SAFECO Insurance are contributing both financial resources and curricular materials. Other national partners include Provident Financial, FleetBoston Financial, Morgan Stanley, Metropolitan Life Foundation and Visa USA. Neighborhood Reinvestment provides \$1.9 million in operating support. Between January 1 and September 30, 2001, nearly 2,000 residents were enrolled in a Financial Fitness program and nearly 1,000 graduated and were on their way toward achieving home ownership.

ture as well as the physical and structural characteristics within and around the geographical area they serve. Effective revitalization strategies will target both the physical and financial preservation of senior housing as well as the delivery of services needed to keep seniors in their homes and communities.

As they develop their strategic plans, NeighborWorks® organizations are finding it extremely beneficial to not only work with the residents that live in their communities and the institutions that serve their neighborhoods, but to include representatives of local government, private industry and nonprofit organizations with expertise in areas such as healthcare, transportation, education, public safety, the environment and others. This sharing of information informs organizations about how to better address neighborhood revitalization strategies and goals and often results in the delivery of increased services from a variety of agencies, all of which support neighborhood revitalization outcomes.

For example, lack of transportation has been identified as one of the principal causes of malnutrition among the frail elderly. Housing providers are finding that, with advance planning, they can develop housing on bus routes, convince municipalities to improve bus routes, or encourage municipalities and others to provide special seniors-only vans that make it possible for the elderly to get to the grocery store or the doctor's office. This may not only help the elderly to improve their health through better nutrition, but also enhance the use of public transportation, reduce traffic congestion, better support a needed business or service, and produce some efficiencies in housing construction.

<sup>4</sup> Definitions of assisted living vary. Generally, depending on state regulations, assisted-living facilities differ from nursing homes in that staff cannot provide medical care except perhaps of the least invasive and complex kind.