



A bridge linking housing research and practice

volume 4, number 4

## Affordable Housing Plus Services for Seniors



*Affordable housing plus services enables older residents of subsidized multiunit properties to age in place rather than moving into a nursing home.*

As America's senior population continues to grow, the need for new models of delivering health-related and supportive services that are both attractive and affordable to low- and modest-income older adults is increasingly clear. Although assisted living is a relatively popular alternative to nursing homes, it remains too expensive for many seniors with limited incomes. Aware that an established relationship exists among age, chronic illness and disability, and long-term health care needs, policymakers are seeking additional options for seniors.

One promising strategy, affordable housing plus services (AHPS), links older residents of subsidized multiunit housing with health and supportive services that allow them to age in place. The U.S. Department of Health and Human Services (HUD), and the A.M.

McGregor Home in Cleveland, Ohio jointly commissioned the Institute for the Future of Aging Services (IFAS) to explore the potential of AHPS to meet the long-term care needs of low- and modest-income seniors. This was a unique policy study, in that four regional workshops brought together representatives of housing and services, many of whom had never met before, to think through the implications of the AHPS model in their areas. IFAS, the nonprofit applied research arm of the American Association of Homes and Services for the Aging, was able to identify models, strategies, and programs that are currently integrating affordable housing with health and supportive services for seniors.

Research indicates that 1.8 million older adults live in federally subsidized rental housing. Unknown numbers of low-income seniors receive rent subsidies from municipalities and states, and still others living in privately owned housing receive no subsidies at all. Many of these adults have disabilities and limited mobility, and others require help with meal preparation or personal care. IFAS cited evidence that residents of subsidized senior housing who lack access to supportive services are more likely to be forced to

## contents

Effects of Welfare to Work Housing Vouchers	3
Evaluating the 602 Nonprofit Disposition Program	4
Prototype Home Addresses Migrant Housing Shortage	6

## Affordable Housing Plus Services for Seniors continued from page 1

transfer to a nursing home as they age. The problem stems from a disconnect between housing providers and community service agencies, according to IFAS, because they view their missions differently and have little experience working together. One solution may lie with AHPS initiatives existing in various forms around the country.

### AHPS Initiatives at Work

The Institute found two types of AHPS initiatives: privately financed and publicly subsidized. Initiators of privately financed AHPS programs typically are individual providers of housing co-ops, shared housing, senior mobile home parks, and single-room occupancy hotels. In one example, Penn South Cooperative in New York City established the nonprofit Penn South Program for Seniors to support its aging residents. IFAS reports that this nonprofit...

"...offers case management; group recreation; educational, cultural and artistic programs; home-care coordination and non-acute nursing care; social daycare for those with dementia; health education and preventive services; money management; and advocacy. The program is staffed by social workers, nurses, and home-care coordinators. Penn South...[is] a training site for geropsychiatric fellows and receives free psychiatric consultations. In addition, two medical centers have opened geriatric practices onsite, and the Visiting Nurse Service of New York is contributing a half-time nurse to perform non-reimbursable services."

The co-op also recently opened an onsite physical therapy office to serve all ages, with a special focus on preventing falls among elderly residents.

IFAS found an array of publicly subsidized AHPS strategies in use around the country, including co-location of services with subsidized housing; housing management staff who either coordinated or provided services; property managers, residents, and providers collaborating to arrange services for residents of naturally occurring retirement communities; and partnerships among state housing agencies, housing properties, and state aging and health agencies. In one example of a co-location model, IFAS describes what Koinonia Apartments, a Section 202 property sponsored by the First Presbyterian Church of Lenoir, North Carolina, is doing:

"The administrator functions as a property manager, service coordinator, and case manager. Koinonia Apartments has identified multiple community

agencies that can provide services onsite at little or no cost to residents. The property serves as the site for an OAA Title III nutrition program, which [provides] a noon meal five days per week to residents and community members. Green Thumb, which operates a federally funded training program for older workers, supplies housekeepers in training at no charge to provide light housework, such as laundry, making beds, and sweeping. The property administrator also maintains a list of individuals in the community who provide reasonably priced housekeeping services. Personal care is available from the Caldwell County Home Health Agency and from the local Community Action Program. Both agencies provide a limited amount of personal care at no charge to residents. The property also provides a variety of activities for its residents, including exercise, blood pressure checks, craft activities, entertainment, and transportation."

### Next Steps

IFAS concluded that, although AHPS programs have not been carefully evaluated, they do have two clear advantages. First, seniors like having a level of support that allows them to remain in their own homes as their health declines. Second, AHPS initiatives can be extremely cost effective, because they often employ existing community resources. Policymakers need to know how well AHPS strategies work before formally committing resources to the model, however. More evidence is needed on what an effective strategy looks like, which services are critical, the prerequisites of a successful strategy, the obstacles, and the funding opportunities. Ultimately, the use of AHPS models, although successfully demonstrated in some communities, would require far greater numbers of housing providers to be committed to the concept, greater capacity building among providers, objective evaluations of AHPS models and practices, and adequate funding.

The results of IFAS' exploration, *A Synthesis of Findings from the Study of Affordable Housing Plus Services for Low- and Modest-Income Older Adults*, is available at [www.huduser.org/publications/affhsg/synthesis.html](http://www.huduser.org/publications/affhsg/synthesis.html). This report and supplemental documents, *Inventory of Affordable Housing Plus Services Initiatives for Low- and Modest-Income Seniors* ([www.huduser.org/Publications/pdf/inventory.pdf](http://www.huduser.org/Publications/pdf/inventory.pdf)) and *Lessons from the Workshops on Affordable Housing Plus Services Strategies for Low- and Modest-Income Seniors* ([www.huduser.org/Publications/pdf/workshop\\_report.pdf](http://www.huduser.org/Publications/pdf/workshop_report.pdf)), are all available as free downloads from HUD USER. **HUD**

In 1999, Congress approved a Welfare to Work Voucher demonstration program that made 50,000 housing vouchers available to eligible families. After submitting an assessment of the project to Congress in 2004, HUD continued to follow voucher families to evaluate the program's long-term effects.

An important feature of the program was the freedom it gave families to choose their housing. Voucher holders were responsible for locating a suitable neighborhood, a willing landlord, and a housing unit that would meet inspection standards. Alternatively, they could apply the voucher to their current residence. Vouchers provided housing affordability with relatively few restrictions, making it possible to learn voucher users' preferences and priorities.

HUD's findings, documented in the report *Effects of Housing Vouchers on Welfare Families*, indicate that vouchers have been effective in reducing homelessness and improving living conditions. On the other hand, vouchers appear to have had little effect on employment, earnings, education attained, and other aspects of family well-being.

### Where Did Families Choose to Live and With Whom?

Voucher users were able to make small improvements in their home neighborhoods. Families who used vouchers to move reported feeling safer in their new surroundings, although they remained dissatisfied with



*Vouchers enable users to make small improvements in their home neighborhoods.*

the overall safety and quality of their neighborhoods. This feedback suggests that voucher programs might be more effective if they provided low-income families with mobility counseling, housing search guidance, and assistance with security deposits, which would allow them to compete for housing in better neighborhoods.

Families receiving vouchers moved less frequently than nonrecipients. They reported that the voucher stabilized their housing situation and eased the pressure and anxiety that accompany having to move. Many recipients were able to become more independent by establishing smaller households; for example, a voucher could allow a single parent to leave an overcrowded, multigenerational living arrangement.

### Did Vouchers Reduce Material Hardship?

Researchers found that voucher assistance does reduce homelessness and overcrowding. Recipients said that vouchers made them less anxious about homelessness and being forced to move in with others. Families expressed a strong preference for independent households and increased living space.

Vouchers also eased the stress on household budgets, providing some relief from financial hardship and freeing up funds for other necessities. Interviewees remarked on the importance of having money for groceries, school supplies, and clothing, as well as discretionary spending for children who want to blend in with their peers. Vouchers also eased the financial impact for families reaching the end of their eligibility for Temporary Assistance for Needy Families.

*continued on page 5*



*Recipients reported that vouchers helped stabilize their housing situation.*

## Evaluating the 602 Nonprofit Disposition Program

In the 602 Nonprofit Disposition Program, authorized by the National Housing Act, HUD sells foreclosed single-family homes at a deep discount from the appraised value to nonprofit organizations or local government entities. These agencies then repair and resell the homes at below-market prices to low- and moderate-income buyers.

The nonprofit or local government that works with HUD to put these homes back into circulation must define an Asset Control Area (ACA) within which to locate the project. The ACA has to coincide with or overlap with a HUD-designated revitalization area. Revitalization areas, selected by HUD in consultation with local officials around the country, are targets for extra economic and community development resources. Such areas tend to be identified with very low median household incomes, high mortgage default or foreclosure rates, and low homeownership rates.

ACAs stand to benefit from the 602 Program, in that the rehabilitated homes are expected to revitalize and stabilize neighborhoods, while reducing the number of foreclosures in the area. Prospective homebuyers benefit by being able to obtain affordable housing



Homes sold under the 602 Nonprofit Disposition Program provide affordable housing and help to stabilize neighborhoods.

near their workplaces, which means less strain on workers' time and budgets, and the community experiences fewer problems with traffic and suburban sprawl.

The participating agency, keeping its organizational capacity to repair and sell properties in mind, negotiates with HUD to settle on the number of properties

*continued on page 5*

This table taken from *Assessment of the 602 Nonprofit Disposition Program*, p. 5, shows that the three sites visited would rehab and sell over 600 homes under existing ACA contracts.

	<i>Baltimore, MD</i>	<i>Rochester, NY</i>	<i>Salt Lake City, UT</i>
<b>ACA Participant</b>	St. Ambrose Housing Aid Center	City of Rochester and the Rochester Housing Development Fund Corporation	Community Department Corporation of Utah
Date of ACA agreement	June 21, 2004	January 21, 2004	February 14, 2005
Total number of properties to be purchased	50 in first year of contract, maximum of 94 in second year	133 a contract year	100 a contract year
Total designation notices received (through April 2005)	40	112	29
Total properties rehabilitated (through April 2005)	14	19	0
Total properties sold to resale buyers (through April 2005)	12	17	0

ACA = Asset Control Area.

Source: ACA agreements and progress reports submitted by ACA Program participants

## Effects of Welfare to Work Housing Vouchers *continued from page 3*

### How Were Children Affected by Vouchers?

Although vouchers had a positive influence on the environment in which children developed, the program's effects on children's well-being were minimal. Researchers supposed that supplying children with an improved neighborhood and increased parental attention and discretionary income would produce tangible benefits; however, the precarious circumstances of voucher families remained substantial enough to outweigh small improvements in their quality of life.

### Did Vouchers Affect Self-Sufficiency?

Contrary to initial expectations, housing vouchers did not significantly affect total earnings, nor did they adversely affect the self-sufficiency of low-income families. The ability to live closer to job opportunities and in neighborhoods that might be supportive of employment was not a determining factor in decisions to move.

Families with housing vouchers actually received more public assistance benefits than they did before entering the voucher program. Researchers suggest that as voucher-receiving households became smaller, they lost the financial advantages of a larger household's pooled resources. This loss encouraged the remaining members to secure all the public assistance benefits for which they qualified.

The full report, *Effects of Housing Vouchers on Welfare Families*, and an earlier report, *Evaluation of the Welfare to Work Voucher Program*, are available as free downloads at [www.huduser.org/publications/commdev/hsgvouchers.html](http://www.huduser.org/publications/commdev/hsgvouchers.html) and [www.huduser.org/publications/pubasst/welfrwrk.html](http://www.huduser.org/publications/pubasst/welfrwrk.html), respectively. Print copies of both reports can be ordered from HUD USER for a nominal fee by calling 800.245.2691 and selecting option 1. **HJ**

---

## Evaluating the 602 Nonprofit Disposition Program *continued from page 4*

it will rehabilitate during the contract year. In preparation, it is necessary to arrange financing for acquisition and repair, have contractors readily available to make repairs, and have marketing plans in place to ensure that the purchased properties will be renovated and sold within mutually agreed-upon timeframes.

Once a property is made available by HUD, the agency details the needed repairs, projects costs, makes the purchase, and proceeds with rehab and resale. After the rehabbed property goes on the market at a discount, offers from police officers and teachers who are participating in the respective Officer Next Door and Teacher Next Door programs receive priority during the first five days it is listed. Another provision of the 602 Program mandates that purchasers of renovated homes complete homebuyer counseling.

Optimal Solutions Group, LLC and Abt Associates, Inc. have jointly worked on a strategy that HUD can use to evaluate the 602 Program. They visited three of seven program sites operational in June 2005 to discover how participating agencies were implementing their projects and to develop recommendations for a



*The 602 Program opens doors to affordable homeownership for low- and moderate-income individuals and families.*

long-term evaluation strategy for 602 programs. These findings and the recommended evaluation strategy resulting from site visits to 602 Program projects in Salt Lake City, Utah; Baltimore, Maryland; and Rochester, New York are reported in *Assessment of the 602 Nonprofit Disposition Program*, which can be downloaded free of charge at [www.huduser.org/publications/commdev/602assessment.html](http://www.huduser.org/publications/commdev/602assessment.html). **HJ**

## Prototype Home Addresses Migrant Housing Shortage

A recent study by the Shimberg Center for Affordable Housing at the University of Florida estimated the number of migrant and seasonal farm workers in Florida at approximately 171,000, not counting dependents. Because approximately 43 percent of these farmworkers move frequently to find work, finding decent, safe, and affordable short-term housing presents a significant burden for both the workers and the growers who hire them. "Agriculture has to compete for the people working on farms like never before," said Florida grower Jay Taylor of Taylor Fulton Farms.

In 2004, Hurricane Wilma exacerbated the problem by devastating many Florida communities, including the homes of many migrant farmworkers around Lake Okeechobee. "In today's housing market, it's more and more difficult to find decent housing for farmworkers," said Bob Spencer of the West Coast Tomato Company. "The worst thing is for them [farmworkers] to come to the area and have substandard housing and living conditions. It's very expensive for us to grow these crops and have this produce fresh. It doesn't do us any good to grow them and have no one to harvest them."

Guided by input from growers, Jack Rechcigl, director of the Gulf Coast Research and Education Center at the University of Florida's Institute of Food and Agricultural Sciences, began to search for a quality housing solution that would be easy to build, cost-efficient, and able to withstand the environmental conditions of Florida, including Category 4 hurricanes. Underwritten with \$85,000 from HUD and \$11,000 from Taylor, the Migrant Worker Prototype House was



*The Migrant Worker Prototype House was constructed and finished in five weeks.*

conceived, designed, funded, and built by a group of private- and public-sector partners interested in building quality, sustainable housing for Florida's migrant farm workers.

Unveiled to the public on December 6, 2006 at the Florida Agricultural Expo in Wimauma, Florida, the 900-square-foot Migrant Worker Prototype House was constructed for approximately \$100 per square foot. The home has two bedrooms for up to five workers, one bathroom, a combined kitchen/living room, and a laundry room—an important feature for workers who are exposed daily to pesticides and often have limited access to laundry facilities.

One of the most attractive features of the Migrant Worker Prototype House is its incorporation of structural insulated panels (SIPs). "We were invited to design and build the prototype because our SIPs met four essential criteria for sustainability and efficiency," said Forrest Berg, president of ICS of Florida, Inc. The panels can withstand Category 4 hurricane winds and are energy-efficient, mold- and mildew-resistant, and noncombustible. In tests conducted by the University of North Carolina, SIPs were found to have a 0 flame spread, which makes the product virtually flameproof. Insulation values ranged from R-20 (3 inches) to R-42 (6½ inches), which would provide a 30- to 50-percent reduction in energy consumption, depending on local heating and cooling requirements and local utility costs. The moisture and mildew barrier and the 18-gauge metal framing are critical to withstanding Florida's humid environment and seasonal hurricanes.



*Structural insulated panels (SIPs) are energy-efficient, mold- and mildew-resistant, and can withstand Category 4 hurricane winds.*

*continued on page 7*

## Prototype Home Addresses Migrant Housing Shortage *continued from page 6*

SIPs also save money because they're easy to install, which in turn reduces the number of construction workers needed. "If you have one good lead man who knows the product and good labor talent, you can erect the envelope of the building in a relatively short amount of time. This type of technology dramatically shortens the build time and results in a structure that is commensurate with concrete block construction," Berg reports. The Migrant Worker Prototype House was built and finished in five weeks.

This new generation of housing, designed to help address the short supply of adequate and affordable housing for migrant workers, "...is going to be an incentive for other growers across the state to engage and be involved in housing for their employees. We have a housing crisis in the state of Florida that is especially aggravated for the working poor. This [prototype house] may be a partial answer to the need. It's something that I think the growers' community can embrace and afford," said Taylor.

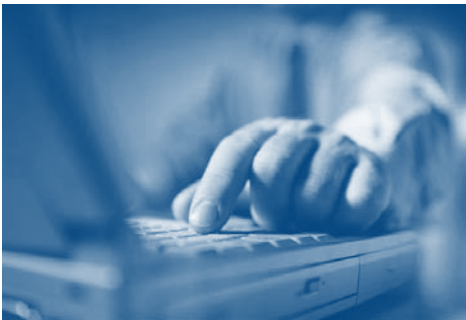


*Installation of SIPs requires fewer construction workers than traditional construction methods.*

For additional information about the Migrant Worker Prototype House, contact Jack Rechcigl, director of the Gulf Coast Research and Education Center at the University of Florida, at 813.643.0000, extension 3101. **FLI**

## Research Works Delivered to Your Desktop

Would you like to subscribe to the electronic version of *Research Works*, PD&R's official newsletter, and have it delivered to your email box for timeliness and convenience?



If you're a current subscriber to the print edition of *Research Works* and wish to continue receiving only the printed version, do nothing. If you'd prefer to receive your copy by email instead, or to receive both the electronic and print editions, you can update your subscription at [www.huduser.org/periodicals/researchworks.html](http://www.huduser.org/periodicals/researchworks.html). Either way, we appreciate your continued support and interest, and encourage you to share *Research Works* with your friends and colleagues.

**U.S. Department of Housing and Urban Development**

HUD USER

P.O. Box 23268

Washington, DC 20026—3268

PRESORTED  
FIRST-CLASS MAIL  
POSTAGE & FEES PAID  
HUD  
PERMIT NO. G—795

Official Business

Penalty for Private Use \$300

Return Service Requested

In the Next Issue of... <sup>research</sup> **works**

- Mobilizing the private sector and domestic financial services industry to invest in affordable housing is of wide-spread interest to the international community. In November 2006, HUD and the United Nations Habitat program jointly organized a policy exchange forum attended by eight West African countries, India, Canada, and the United States. We'll examine the forum's focus on private-sector approaches to affordable housing, the role of public-private partnerships and financial intermediaries, and government regulatory frameworks and incentives.
- HUD annually updates the median family income estimates used by housing and community development professionals as the basis for income limits used in public housing and several other federal programs. Each year, HUD USER receives requests for information about the estimates. We'll share answers to some of your more frequently asked questions, and offer some insights on how median family income affects both landlords and program participants.
- The design, construction, and renovation of buildings creates numerous competing demands for today's government leaders. Streamlining the regulatory process has proven to be an effective means of reducing development costs and enhancing public services, economic competitiveness, disaster recovery, and affordable housing development. We will explore some of the best information technology practices available for making process improvements in the regulatory landscape.
- In April of 2005, the *Chicago Daily Herald* carried an article about Habitat for Humanity's Northern Fox Valley's plans for building new homes that included a block build project of five homes in Elgin, Illinois. The homes are now occupied, and the project received the HUD Secretary's Award for Excellence at the National Association of Home Builders' annual conference in February 2007. *ResearchWorks* will discover how this project made owning homes with superior design affordable by capitalizing on the collective interests and efforts of the community.

www.huduser.org • 800.245.2691



U.S. Department of Housing  
and Urban Development  
Office of Policy Development  
and Research

