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NRMLA's
2018 Western Regional Meeting
March 19-20 • Huntington Beach, CA



2018 Western Regional Meeting

MARCH 19-20 • HUNTINGTON BEACH, CA

Should I Stay Or Should I Go?

Helping Older Americans Choose the Right Home Environment





Am I in the right home?

Is it the best place for me to
age?

And if not, what are my
options?

Why are we doing this presentation?

- ▶ It can help with sales to understand the other options your clients may be considering.
- ▶ Some clients will not qualify for reverse mortgages—and you might still be able to help by guiding them elsewhere.

Going to try to take
the older adult's point
of view.

How does my home fit
into my life?

How does my life fit
into my home?



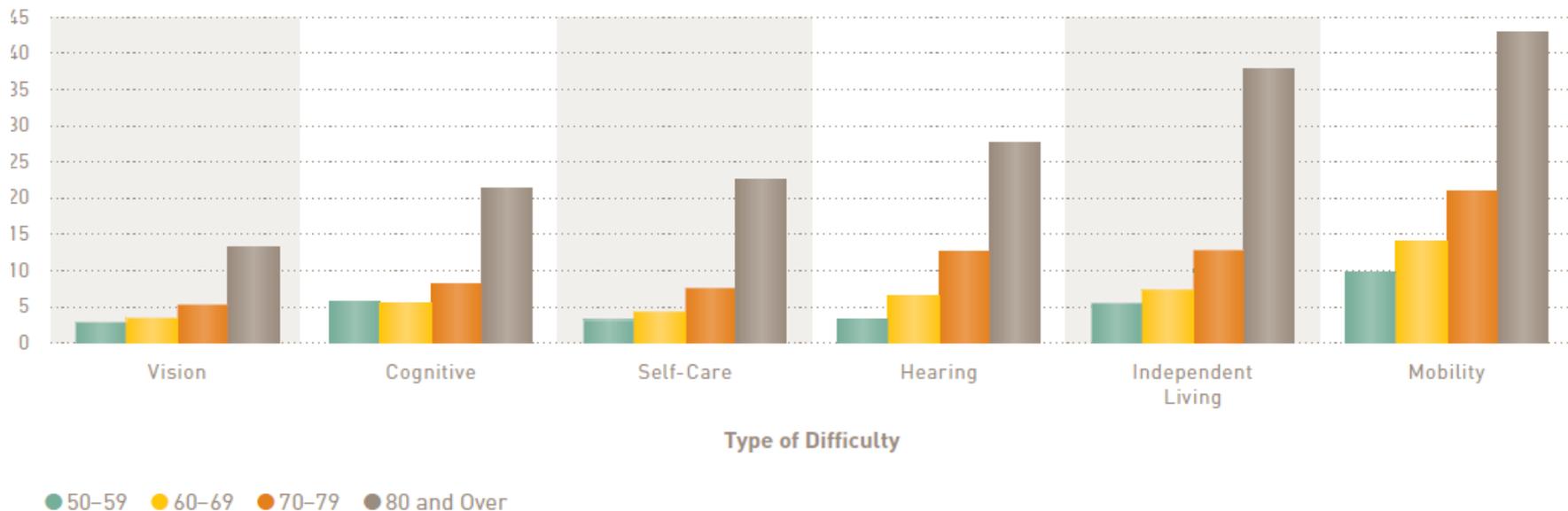
Considerations

- ▶ Functionality
- ▶ Location and accessibility
- ▶ Availability of services
- ▶ Affordability

FIGURE 9

While All Types of Disabilities Increase with Age, Difficulties with Mobility Are Most Common

Share of Population with Disabilities by Age Group (Percent)



Note: A cognitive disability is defined as serious difficulty remembering, concentrating, or making decisions; self-care disability as difficulty bathing or dressing; independent living disability as difficulty doing errands alone; mobility disability as serious difficulty walking or climbing stairs.

Source: JCHS tabulations of US Census Bureau, 2012 American Community Survey.

Types of Housing for older adults

- ▶ Home ownership
- ▶ Home modification
- ▶ Renting
- ▶ Senior housing
- ▶ Affordable housing
- ▶ CCRCs
- ▶ Assisted living
- ▶ Special needs
- ▶ Co-housing
- ▶ Microunits
- ▶ Granny housing
- ▶ Home sharing
- ▶ Mobile homes
- ▶ Nursing homes
- ▶ Outliers

Meet the Sullivans





JOHN

Mid 80s

Retired candy
salesman

Sight failing

Hip problems



MARY

Mid 80s

Diabetes

Dementia





Social Security	\$2500 per month
401K	\$167,000 remaining
Home equity	\$240,000 est.
Medicare Parts B and D	
No long term care	

The things we love to do





Should they:

1. Stay put
2. Modify their home
3. Downsize—one floor
4. Sell the home and rent
5. Move to a CCRC
6. Move to assisted living
7. Buy a mobile home
8. Consider other options—granny housing, co-housing

Single Family options



Single Family home ownership

- ▶ 80% of over 60 year olds
- ▶ Mortgage debt increasing
- ▶ Responsible for upkeep and change
- ▶ Mortgage payments plus taxes should be 28-30% of income
- ▶ Provides access to your home equity

Home owners vs. renters

- ▶ The median net wealth of homeowners aged 50 and over in 2010 was 44 times that of renters in the same age group.
- ▶ •Excluding home equity, the median owner aged 50 and over still had \$117,000 in other assets, in sharp contrast to only \$6,100 in net wealth accumulated by the median renter in the same age group.
- ▶ In 2010, 58 percent of homeowners 50 and over had retirement accounts, while only 26 percent of renters had any savings in this form.

Source: Joint Center for Housing

Considerations

- ▶ Functionality—Fear of Steps. Home can be modified
- ▶ Location & Accessibility—Friendships built over time. Access to children. Commitment to community.
- ▶ Availability of services—More available in cities and wealthier suburbs. Need to find them yourself.
- ▶ Affordability—Homes build wealth. Access to home equity. But have taxes and insurance needs.

The home you own--Modification



Accessibility

No-step entry

Single floor living

Extra wide doors and halls

Accessible electrical controls/switches

Lever style doorhandles and faucets

No step showers

Sit down kitchen counters

	Share of Units with Accessibility Feature (Percent)				
	No-Step Entry	Single-Floor Living	Extra-Wide Hallways and Doors	Accessible Electrical Controls	Lever-Style Handles on Doors and Faucets
Region					
Northeast	31.2	56.8	7.3	37	6.5
Midwest	32.4	72.5	8.2	49.2	8.6
South	48.5	84	7.8	41.8	6.9
West	49.5	80.9	8.3	48.7	12
Metro Area Status					
Central City	39	74	6.6	40.5	7.1
Suburb	46.2	72	8.1	45.8	9.7
Non-Metro	37.4	86.3	9.1	45	7.1
Total	42.1	76	7.9	44.1	8.3

Modification costs

- ▶ Installing grab bars and grips in bathrooms, handrails on both sides of a stairway, and lever-style handles on doors and faucets--under \$1,000
- ▶ Widening one doorway--\$800-1,200
- ▶ Installing a wheelchair ramp--\$1,600-3,200
- ▶ Installing a stair lift--\$3,000-12,000.
- ▶ Adding first floor master suite--\$25,000-35,000

Source: Home Advisor

factoid

Cost of adding bedroom and bath on first floor is generally less expensive than assisted living or nursing care facilities.

Will Medicaid pay for modification? Or tax credits?

Modified Home Considerations

- ▶ Functionality—can be adapted at a cost
- ▶ Location & accessibility—Keeps most where they want to be. Accessibility depends on the community.
- ▶ Availability of services—If they know how to search for them
- ▶ Affordability—Can you afford both modifications and obligations?

MULTIFAMILY housing



Multifamily housing

- ▶ Most is rental. Rents rise. No tax relief.
- ▶ Most is urban—access to transportation, entertainment, education
- ▶ Staff to support you.
- ▶ Care for your unit, but not the property
- ▶ Easier to leave if want to relocate
- ▶ One level
- ▶ Can sometimes downsize within building

Market rate rental considerations

- ▶ Functionality—One floor. Building staff.
- ▶ Location & accessibility—May have to leave favored neighborhood. In most areas outside cities cores, still need to drive.
- ▶ Availability of services—If they can find them. Same as in private home.
- ▶ Affordability—Probably, once they sell house.

Senior housing



Senior Housing

More than just building pretty buildings

Advantages:

- ▶ Independence with support
- ▶ Combat loneliness
- ▶ Many provide resident services
- ▶ Residents support each other
- ▶ Amenities

Senior housing considerations

- ▶ **Functionality**—Generally one floor. Many with universal design features. Some do assessments.
- ▶ **Location & accessibility**—Some provide transportation
- ▶ **Availability of services**—Independent living. Have to find them yourself.
- ▶ **Affordability**—same as any market rate apartment in the community.

CCRC



CCRC

Continuing Care Retirement Community

- ▶ Communities designed around continuum of care:
 - Independent Living
 - Assisted Living
 - Rehab
 - Memory care
- ▶ Some require high entry fees (partially returned)
- ▶ Cost estimates--\$5000-10,000 per month (includes meals)
- ▶ 2000 CCRCs/600,000 residents

Considerations

- ▶ Functionality—Built with all personal conditions in mind. Assessments made.
- ▶ Location & Accessibility—Have to find them. Not always where you might want to be. Generally in wealthier areas.
- ▶ Availability of services—Most provided as part of fee
- ▶ Affordability--Expensive

AFFORDABLE HOUSING



Affordable Housing

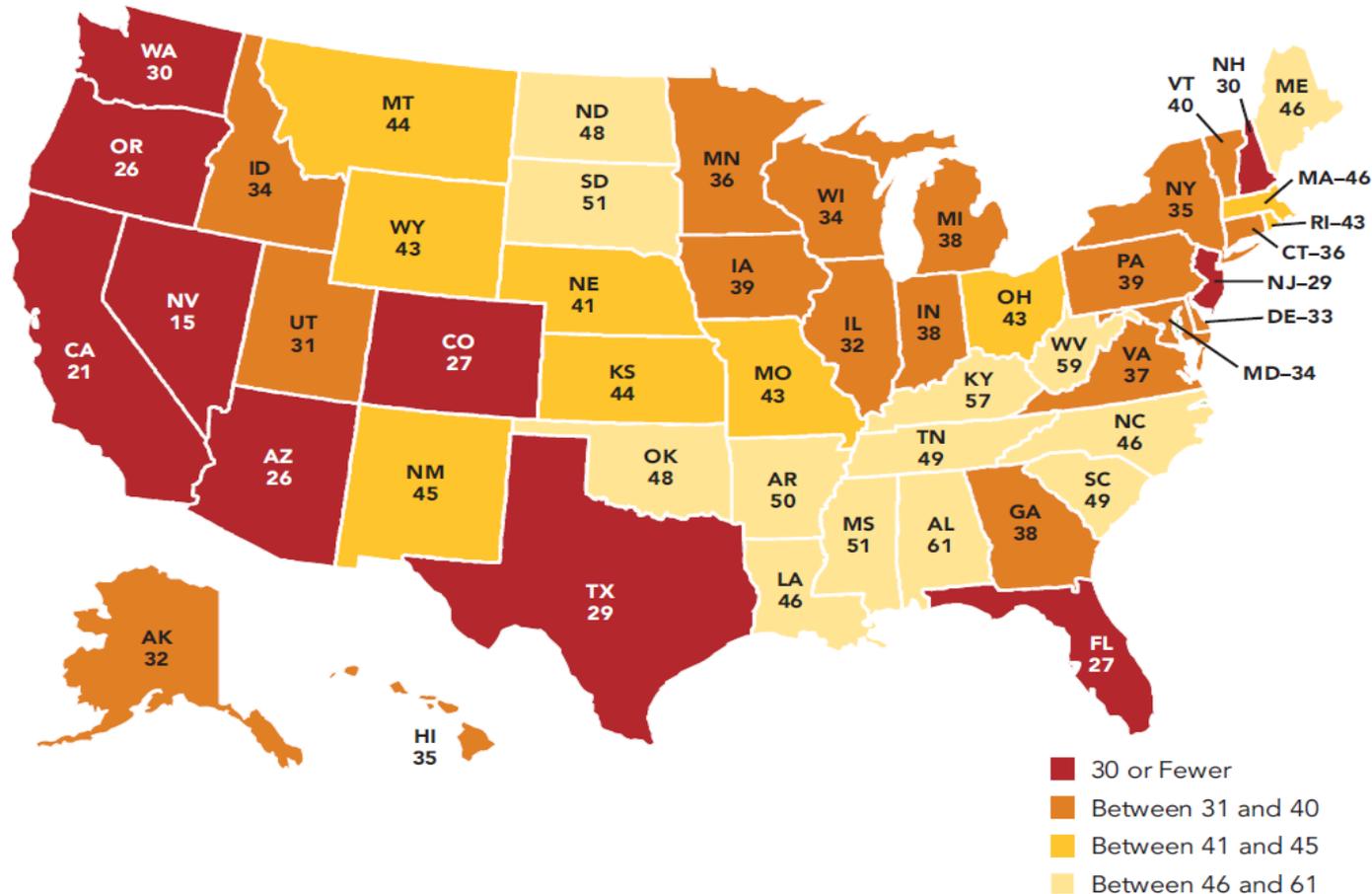


- ▶ Qualifications
- ▶ Area Median Income—30%, 60%, 80%
- ▶ Regulated
- ▶ Long waiting lists
- ▶ Buildings need refinancing—after 15 years
- ▶ Many units become market rate

Rental assistance

- ▶ Of 3.9 million very low-income renter households aged 62 and over who were eligible for rental assistance in 2013 just 1.4 million (36 percent) were able to secure this aid.
- ▶ More than 11 million families currently face either excessive housing costs (more than 50% of income), live in severely inadequate units, or both.
- ▶ If the current income distribution holds, the ranks of older households eligible for rental assistance will increase by 1.3 million between 2011 and 2020 and another 1.3 million between 2020 and 2030.
- ▶ Absent an increase in housing assistance efforts, by 2030 there will be 4 million very low-income renters trying to find affordable and adequate housing in the private market.

UNITS AFFORDABLE AND AVAILABLE PER 100 ELI RENTER HOUSEHOLDS BY STATE



source: NLIHC tabulations of 2015 ACS PUMS data.

The 2017 figures should not be compared to previous years, because of a change in the definition of extremely low income.

Considerations

- ▶ Functionality—Varies from new and extremely functional, to recently rehabbed to terrible conditions
- ▶ Location & Accessibility—Often in troubled neighborhoods, many without street services. Trend is towards placement in better communities.
- ▶ Availability of services—Some now providing.
- ▶ Affordability—Priority. And some with subsidies.

Assisted living

- ▶ 28,000 facilities
- ▶ 1 million residents
- ▶ Average age: 83
- ▶ 74% women; 26% men
- ▶ 1/8 of over 85 population

Source: McKnight's



Assisted Living Covered Costs

- ▶ Mortgage or rent
- ▶ Utilities
- ▶ Maintenance:
- ▶ Meals
- ▶ Household assistance or personal care

Assisted living considerations

- ▶ Functionality—Assistance with ADL. No concerns with home upkeep.
- ▶ Location and accessibility—Separates some from families
- ▶ Availability of services—full time care
- ▶ Affordability

Assisted Living Costs

- ▶ The U.S. states with the **most expensive** median monthly assisted living costs are:
 - ▶ Alaska - \$6,000
 - ▶ New Jersey - \$5,994
 - ▶ Delaware - \$5,533
 - ▶ Connecticut - \$5,000
 - ▶ Massachusetts - \$4,950
- ▶ The U.S. states with the **least expensive** median monthly assisted living costs are:
 - ▶ Missouri - \$2,288
 - ▶ Alabama - \$2,600
 - ▶ Georgia - \$2,703
 - ▶ Kentucky - \$2,720
 - ▶ Michigan - \$2,850



Nursing homes

Nursing homes

- ▶ 15,600 facilities
- ▶ 1.7 million licensed beds
- ▶ Average cost \$83,000 per year
- ▶ Covered by Medicare, Medicaid

Source: SeniorCare

Nursing home considerations

- ▶ Functionality—full time care
- ▶ Location & accessibility—Few people leave except for group trips or family visits. Often lack of social interaction.
- ▶ Availability of services—provided
- ▶ Affordability--insurance

Special Needs Housing



Mental housing numbers

- ▶ Currently:
- ▶ 83,783 in institutional residences
- ▶ 187,138 in residential care settings
- ▶ 65,000 more homes needed

Source: Corporation for Supportive Housing (CSH)

Supportive Housing outcomes

- ▶ 50% fewer days per year in psychiatric hospitals
- ▶ 58% fewer visits to emergency rooms
- ▶ 4X more likely to face health issues if not in supportive housing
- ▶ The need to sustain social connections

Mental health housing considerations

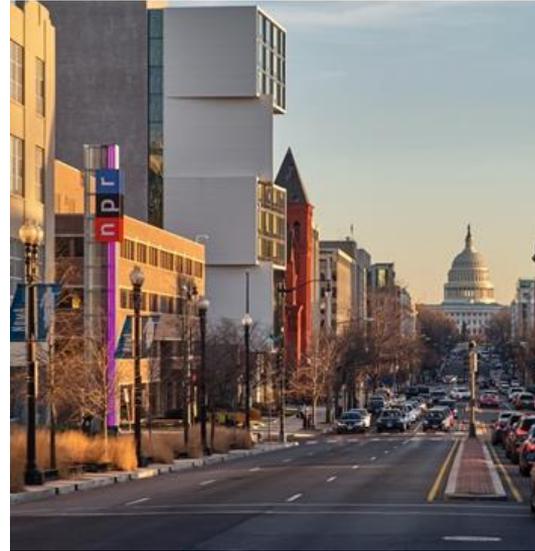
- ▶ Functionality—all staffed. Guidance is at the core.
- ▶ Location & accessibility—varies
- ▶ Availability of services—on site
- ▶ Affordability—support from Medicaid, other programs

VETERANS HOUSING



John & Jill Ker Conway Residence

- ▶ 60 units for homeless vets
- ▶ 47 units—under 60% AMI
- ▶ 17 units—under 30% AMI
- ▶ 17 units—Behavioral health



VASH—Veterans Administration supportive Housing

- ▶ Housing voucher program
- ▶ 10,000 vouchers per year since 2008
- ▶ 85,000 housed
- ▶ Housing choice vouchers and project-based vouchers
- ▶ Grants for short stay, bridge housing
- ▶ Has cut veteran homelessness by 50%

Vash eligibility

- ▶ Focus first on mental illness, substance history, physical ailments. Then open to others.
- ▶ Case management is the core of the program
- ▶ Voucher recipients must participate to maintain support.

Considerations

- ▶ Functionality—Newer buildings designed to accommodate needs. Building staffs.
- ▶ Location & accessibility—Varies. Most in cities and close to basic needs.
- ▶ Availability of services—Counseling usually required
- ▶ Affordability—low income with subsidies

GRANNY HOUSES





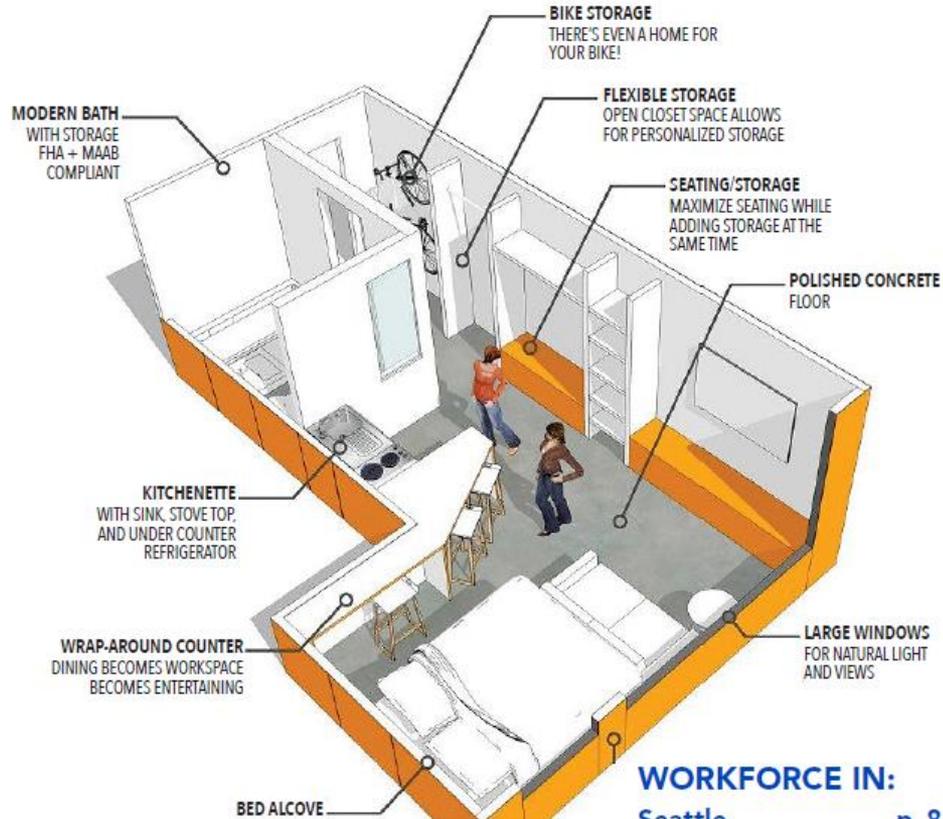
Granny housing

- ▶ aka: Accessible Dwelling Units (ADUs)
- ▶ Zoning requirements
- ▶ Parking restrictions
- ▶ Add Granny unit and rent out your main house for income
- ▶ New California law in 2016: In first year, Los Angeles went from 124 to over 2000.

Granny housing considerations

- ▶ **Functionality**—One floor. Alone much of the time.
- ▶ **Location & accessibility**—Often adjacent to family members
- ▶ **Availability of services**—On your own. But family can help.
- ▶ **Affordability**—Often not your problem.

Microunits... and other Workforce Housing Solutions



Microunits

- ▶ 300 square feet or less
- ▶ \$600-1000 per month (Seattle)
- ▶ Less space, but solo living in central location
- ▶ Congregate units—share kitchen, dining, social space
- ▶ Upgrades SROs
- ▶ IKEA

Microunit considerations

- ▶ Functionality—One floor. Community involvement.
- ▶ Location & accessibility—Mostly in downtowns
- ▶ Availability of services—Limited, Must find them yourself. Residents support each other
- ▶ Affordability--Very

Co-housing

Common House



Mosaic Commons, Berlin, M

Co-Housing ad

\$700 -JOIN A GOLDEN GIRLS HOME! I have an amazing 4-bedroom home and am looking for roommates who have a vision of living together with autonomy and quiet time but who want to share occasional vegetarian meals and activities. We will all pitch in to make it work. Unfurnished room, private bath, utilities included, no pets, no smoking, lease required. (email me at xxxxxxxxxxxx)

GOLDENGIRLSNETWORK.COM

[Become a Member](#) | [I forgot my password](#)

 **FIND A FRIEND!** Find the right roommate to share your home. [JOIN TODAY!](#)

Imagine A House Filled with Friends



I am a

I need a

I live in

Search



1 CREATE A PROFILE of YOU

Describe yourself and the senior living arrangement you're seeking.



2 SEARCH for OTHERS LIKE YOU

Which housemate attributes are important to you?



3 COMMUNICATE with YOUR NEXT HOUSEMATE

Conduct a search and start communicating.

Houseshare Nashville

- ▶ Office on Aging, Real Estate agents and healthcare company (Caregivers by WholeCare) collaboration
- ▶ Furnished 6 bedroom homes with 2 half baths, 2 full baths.
- ▶ \$1500-2500 per month per person
- ▶ Includes part-time caregiving

Creative alternatives

- ▶ Unique living situations for older adults—that can be replicated

NESTERLY



Community: Beacon Hill Village, Boston



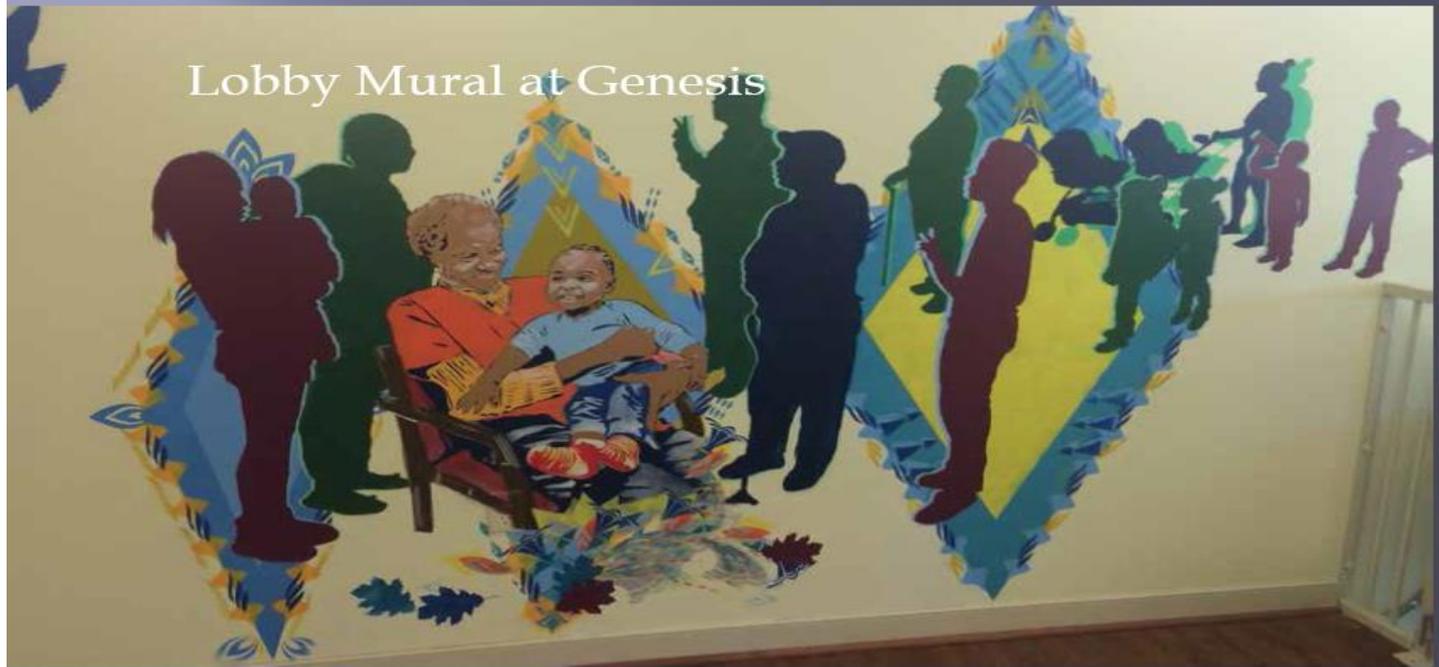
Arts: Noho Arts Colony, North Hollywood



ARTS & AGING



Intergenerational: Genesis, Washington, DC



Actor's Home, Edgewood, New Jersey



Facetime: The Maine Approach-- Damascotta



Dementia Care: Hogewey, outside Amsterdam



Meet the Sullivans





Social Security	\$2500 per month
401K	\$167,000 remaining
Home equity	\$240,000 est.
Medicare Parts B and D	
No long term care	

Stay put & modify home

Assets

- ▶ Savings \$167,000
- ▶ \$2500/month Social Security
- ▶ Mortgage free home worth \$240,000
 - ▶ Can get reverse mortgage for about \$132,000 with no monthly payments
- ▶ They need:
 - ▶ Master suite on ground level--\$35,000 or stair glide \$18,000
 - ▶ No step shower-- \$5000 Entry ramp--\$3000
 - ▶ Caregiver 8 hours x 5 days x \$20=\$800 per week

Downsize to one floor home

- ▶ Sell home for \$240,000 minus agent fee and closing costs
- ▶ Avoid necessary home modifications. Save about \$50,000
- ▶ Still need caregiving--\$3200/mo.
- ▶ Still have real estate taxes, possibly lower
- ▶ Need to find one story home they can afford
- ▶ Moving expenses--\$2000-3000 if in community
- ▶ Maintain community involvement and activities

Rent

- ▶ Sell home for \$240,000 minus expenses
- ▶ Avoid \$50,000 in modifications
- ▶ Eliminate real estate taxes
- ▶ Increase available assets to about \$370,000 plus \$2500/mo. SSA
- ▶ Rent 2 bedroom in area for about \$2500 per month
- ▶ Still need caregiving. \$800per week/\$40,000 per year
- ▶ Assets & income probably too high for affordable housing

Assisted Living

- ▶ Sell home for \$240,000 minus costs/Increase assets to \$370,000 plus \$2500 SSA
- ▶ Eliminate need for modification
- ▶ Eliminate real estate taxes
- ▶ Move into assisted living at \$5000/mo.
- ▶ Eliminate additional caregiving
- ▶ Meals may be included
- ▶ If spend down, can use Medicaid

Applicable Alternatives

- ▶ Granny home if children have a property
- ▶ Microunit/shared housing—probably would not be comfortable
- ▶ Mobile housing—probably would not be comfortable
- ▶ Supportive housing—they do not need it

SULLIVAN'S FINANCES

Retirement savings	167,000
Home equity	240,000
Social Security	2,500/mo.

Monthly expenses

Mortgage	0
RE taxes	600
Home insurance	70
Car insurance	200
Gas	120
Medicare parts B & D	200
Medications co-pay	80
Food	600
Cable, phone internet	240
<u>Entertainment, dining</u>	<u>300</u>
<u>Total</u>	<u>2410</u>

<u>Needs</u>			
Caregiving (40 hrs. x 5 days x 20)	3,200		
Transportation (give up keys)	450		
Annual total cost			43,800
Home modifications:			
Ramp	2,000		
Stair glide	18,000		
Master suite	30,000		

SULLIVANS' OPTIONS

<u>STAY IN HOME</u>	
Retirement savings	167,000
Reverse mortgage	132,000
SS	2500/mo.
Expenses	2410/mo.
Needs	43,800 annual
Home modification	20,000 one time
Run out of cash	6 years

<u>SELL HOME AND RENT</u>	
Retirement savings	167,000
Home sale net	224,000
SS	2500/mo
Expenses	
Add rent	2500/mo.
Eliminate RE taxes/insurance	
Car insurance/gas	
Remaining monthly expenses	1,420
Total monthly expenses	3,920
Needs care/ trans	43,800/yr.
Total annual spend (after SS)	60,840/yr
Run out of cash	6.5 years

<u>SELL HOME AND ASSISTED LIVING</u>	
Retirement savings	167,000
Home sale net	224,000
SS	2500/mo.
Expenses:	
Add Asstd living	5000/mo.
Eliminate RE taxes/inx.	
Car ins/gas	
Food	
Carergiving	
Remaining expenses	800/mo.
Total annual spend (after SS)	39,600
Run out of cash	10 years

Reasonable options should they:

1

Stay put

2

Modify
current home

3

Sell home
and downsize

4

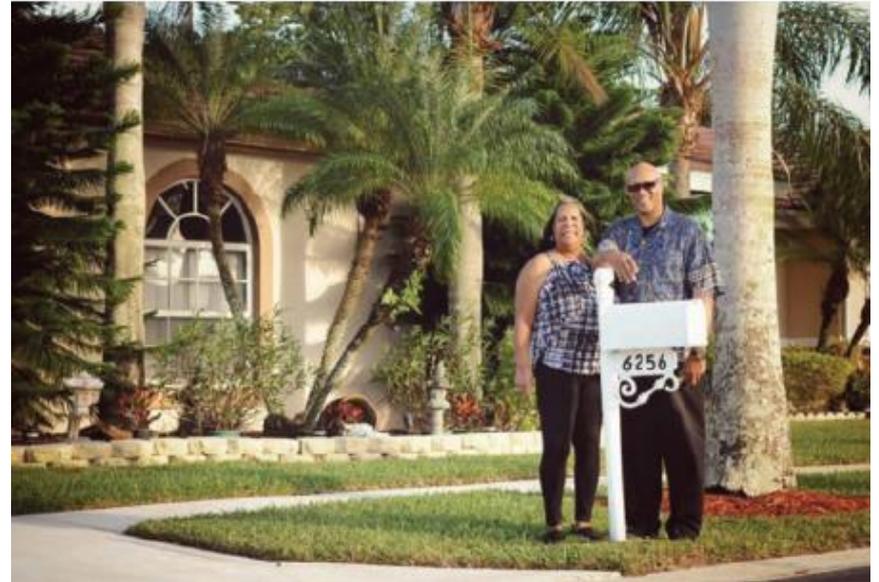
Sell home
and rent

5

Move to
assisted living

The Dream home

- ▶ Private house with no mortgage
- ▶ One level living—ranch house
- ▶ In-home accessibility—universal design
- ▶ Home equity available to support your expenses
- ▶ Near your children
- ▶ Near your favorite activities
- ▶ Utility costs low due to energy upgrades
- ▶ Property tax deferral
- ▶ Self driving car—or public transportation
- ▶ Aging in Place Center nearby



Sources

Books

Evicted: Poverty and Profit in the American City by Matthew Desmond (Random House)

Janesville by Amy Goldstein (Simon & Schuster)

Hillbilly Elegy by J.D. Vance (Harper Press)

Being Mortal by Atul Gawande (Henry Holt)

Alone and Invisible No More by Allen S. Teel (Chelsea Green)

Medicaring Communities by Joanne Lynn, MD (WordPress)

The Gift of Caring: Saving Our parents from the Perils of Modern Healthcare by Marcy Cottrell Houle, MS and Elizabeth Eckstrom, MD (Broadway Books)

Reports

Housing America's Older Adults (Joint Center for Housing Studies, Harvard University)

Healthy Aging Begins at Home (Bipartisan Policy Center)

Projections and Implications for Housing a Growing Population: Older Adults 2015-2035 (Joint Center for Housing, Harvard University)

Neighborhoods, Cities and Metros: Roadblocks Ahead for Seniors who Don't Drive (Urban Institute)

What the 2016 Survey of Consumer Finances Tells Us About Senior Home Owners (Urban Institute)

A Policy Roadmap for Individuals with Complex Care Needs (Bipartisan Policy Center)

Financing Long-Term Services and Supports (SCAN Foundation)

Questions?

