

How Does Affordable Senior Housing Work?

The opportunities for affordable senior housing providers and health care entities to collaborate are boundless. One small challenge housing and health care providers have in working together, however, is simply understanding each other's worlds. Each group has its own vocabulary, own set of rules and regulations, and own way of engaging with their clients. This document is intended to help health care providers understand the basics of the affordable senior housing world.

Affordable senior housing properties are apartment communities offering rents that are reasonably priced to lower-income older adults and allow them to have money left each month to pay for other life necessities such as groceries.

There are three primary funding sources for the creation of affordable communities, including the U.S. Department of Housing and Urban Development (HUD), the U.S Department of Agriculture (USDA), and the Low-Income Housing Tax Credit (LIHTC) program. There are generally many other funding sources involved in the creation of a property, but these are the primary funders that drive the parameters for the building's operations. In some instances, these funding sources have programs that specifically serve only older adults or they allow properties to be dedicated for older adults. Some of these properties may also be open to younger adults with disabilities.

Despite some distinctions by funding sources, all affordable senior housing communities generally function in a similar manner. Below is a description of some key aspects of affordable senior housing properties that are important to understanding who resides in the properties, how the properties are staffed and how the property staff interacts with the resident population. These features are important to understand, as they affect what a housing property may or may not be able to do with a health care partner.

- **Eligibility:** Eligibility is generally based on age and income.
 - Age - Depending on the program, individuals must generally be at least 55 or 62 years of age. Data shows, however, that many residents actually move in at an older age and that the average resident age is much higher.
 - Income - Income limits are based on a proportion of the area median income (AMI). These vary across housing programs, but generally the limit is set somewhere below 80% of the area median income. In Seattle, WA, for example 80% of the AMI for a one-person household in 2014 is \$44,750. In reality, resident incomes are generally far below these thresholds. The average income of residents living in Section 202 properties, for example, was \$12,600 in 2012.¹
- **Rent subsidy:** Rents are subsidized in some manner that allows an individual to pay a reasonable portion of their monthly income. In some instances, individuals receive a direct subsidy that sets their rent at approximately 30% of their monthly income. If

someone earns \$1,000 per month, for example, their rent would be \$300. In other instances, the rents are set at a level that would be affordable to individuals earning a certain percentage of the AMI. For example, if a rent is set to be affordable to an individual earning a 50% AMI level of \$30,900, the rent would be \$827 (including utilities).

- **Regulation and licensing:** Affordable senior housing properties are “independent” housing communities. This means there is a standard landlord-tenant relationship as there would be in any other apartment community. The properties are subject to fair housing regulations, which prohibit them from excluding individuals based on their health or functional status unless their conditions render them a danger to themselves or the community or unable to uphold the requirements of their lease. People cannot be denied housing (either continued housing or new admission) simply because of increased need for assistance or declining capacity to care for themselves.

Affordable senior housing properties are not continuing care requirement communities (CCRCs), assisted living facilities (ALFs) or other types of long-term care facilities. The properties are not established for the purpose of providing medical or supportive care. There is no health or functional eligibility requirement to move in and residents are not required to need or use services. The resident population can run the spectrum from individuals who are well and active to those who are functionally impaired. This does not mean that services cannot be delivered in affordable senior housing communities; it simply means the purpose of the property is not to provide services and the property is not required to offer services.

Depending on the state, there may be regulations around how services can be provided in this type of independent residential setting. In such cases, regulations generally involve restrictions around the housing property directly providing certain types of services, such as homemaker or personal care assistance.

As an independent housing property, residents cannot be required to use any services. They also must be free to choose providers. It is allowable for housing properties to have a relationship with a specific provider to deliver services onsite, but residents must be allowed to choose to use the service or not. The experience of many housing providers has shown, however, that if residents find the service provider is trustworthy and delivering a quality service, they will frequently choose to take advantage of the onsite service.

- **Staffing:** Affordable senior housing properties have minimal staffing. Most staff members' responsibilities relate to the “bricks and mortar,” and include roles such as the property manager, bookkeeper, occupancy specialist, maintenance, or security officer.

A property may also have a service coordinator. This person's role is to help residents identify and access needed services and resources. In addition to assisting residents one-on-one with their specific needs, service coordinators also often coordinate

relationships with community organizations to bring services or resources to the property. Service coordinators are often very knowledgeable about residents and have built trusting relationships with them.

- **Space:** Affordable senior housing communities vary in their architectural design. Most properties have some form of community spaces that can accommodate various programs and activities. Some properties have meal programs available and thus congregate dining rooms, which can also be used for other community activities. Others have large community rooms where various activities can be hosted such as educational sessions or fitness programs. Some also have designated fitness rooms. Additionally, they also often have private office space where providers can meet one-on-one with residents. It is also possible to reconfigure or adapt space to meet programmatic needs.
- **Data:** Affordable senior housing properties tend to have limited data on their population outside of the demographic and income information collected to determine eligibility. Properties are allowed to conduct assessments of their residents. The process and information gathered in these assessments, however, varies across properties. Some will conduct comprehensive and periodic assessments of their residents that gather various information about their health and functional status and needs. Others only gather information from residents who come to see the service coordinator, while others do not conduct any assessment. It's important to note that while housing properties can conduct assessments, they must be done on a voluntary basis.

Additionally, housing properties generally do not track the health service utilization of their residents. As with assessments, some properties may have processes in place to help know when residents go to the emergency department or hospital. It can be challenging to know, if they don't see the resident leave the building or it is not reported to them.

- **Funding:** Affordable senior housing properties are generally operating under tight budgets. Most funding is directed primarily towards building operations, and limited dollars are available or allowed to be used for resident services or activities. In some properties, funding is available for the service coordinator position. Some properties are also able to support transportation programs that take residents on group trips or possibly to individual appointments. Small amounts may also be available to support periodic social activities. For certain expenditures, approval may be required by the property's regulatory agency (e.g., HUD).

Despite some operational limitations, affordable senior housing properties have a great deal of flexibility to collaborate with health care entities to bring health and wellness services to the residents and help [facilitate positive outcomes](#). While a housing property may not have certain infrastructure elements or processes in place initially, there are many opportunities to work with partners to enhance and expand what they can do.

¹ The Section 202 Supportive Housing for the Elderly program is a housing program operated by HUD that creates multifamily housing for very low-income older adults age 62 and over. Some Section 202 properties are also open to younger adults with disabilities.