Insight on the Issues

Housing Policy Solutions to Support Aging with Options

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As the older adult population rapidly increases, the demand will rise for quality, affordable, and accessible housing in close proximity to services and other amenities. Public policy should support a variety of housing options for older adults, including those that allow them the choice to age in their homes and communities while connecting them to supportive services.

INTRODUCTION

The phrase "home is where the heart is" captures the sentiments of many older adults when it comes to making choices about where they live as they age. Seventy-eight percent of adults ages 45 and older surveyed in 2014 stated that they would prefer to remain in their homes indefinitely as they age. Should they find themselves unable to do so, 80 percent of the people surveyed agreed with the statement, "What I'd really like to do is remain in my local community for as long as possible."[1] Social connections with friends and neighbors, familiarity with local amenities, and proximity to services and even doctors are among the many things that may be lost when an older adult has to move from his or her community.

Population projections indicate that by 2030, one in five people will be age 65 or older.[2] Communities must prepare for the housing and service needs of older adults. Local decision makers and other community stakeholders can act now to put policies in place that will address challenges that community members may face as they age.

Implementing policies that tackle issues of housing affordability, accessibility, and supportive services, as this *Insight on the Issues* outlines, is a key action local officials can take to improve community livability and support people at all life stages.

WHAT IS AGING IN PLACE?

"Aging in place" describes older adults living independently in their current residence or community for as long as possible. Policies to promote aging in place often provide services and supports in the home, but the ability to age in place is also determined by the physical design and accessibility of the home, as well as community features such as the availability of nearby services and amenities, affordable housing, and transportation options. The AARP report *Aging in Place: A State Survey of Livability Policies and Practices* highlights examples of states and local

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governments taking action to support those who want to age in their homes and communities.[3]

Studies have found that aging in place can lead to better health outcomes, life satisfaction, and self-esteem, compared with aging in a nursing home.[4] In addition, aging in place is typically more affordable than moving to an assisted living facility or nursing home. For example, the median annual cost for a private room in an assisted living facility exceeded $43,000 in 2016, and a semi-private room in a nursing facility was nearly twice as costly.[5] By comparison, the average annual costs for a home health aide working 30 hours a week is much lower, at $31,000.[6]

AGING WITH OPTIONS: HOUSING CHALLENGES AND POLICY SOLUTIONS

Following are some of the principal obstacles to aging in homes and communities, along with potential solutions for meeting those challenges.

CHALLENGE *The population of older adults is rapidly rising and expected to reach 20 percent of the US population by 2030. Many communities are lagging behind in supporting policies and programs that will address the needs, including housing, of older adults.*

A MetLife survey, from 2011, found that many municipalities and counties across the country are struggling to set policies and provide services for older adults who wish to remain in their communities as they age.[7] Survey respondents indicated that their greatest challenges were providing housing- and transportation-related programs and services to older adults due to financial constraints as a result of the Great Recession.[8]

Additionally, the findings reveal that the majority of jurisdictions are not considering the needs of older adults when developing strategic and long-term community plans. Localities are failing to include the voices of older adults in their community planning activities and reflecting their needs in strategic plans.[9] Neglecting older adults may put localities at a disadvantage both in preparing for the health and well-being of their communities as residents age and in losing older adults' knowledge and experience that they may bring to discussions about shaping the future of their neighborhoods.

SOLUTION *Local jurisdictions can use programs such as the AARP Network of Age-Friendly Communities or similar initiatives to address the housing and other needs of all residents regardless of age.*

AARP is the US affiliate for the World Health Organization's Age-Friendly Cities and Communities program.[10] When communities join the AARP Network of Age-Friendly Communities (AFC), they commit to take programmatic and policy actions to improve the lives of their residents at every life stage. Since 2012, over 170 communities (cities,

In livable communities people of all ages have access to housing, services, and amenities that support their needs as they age.

Photo credit: Shannon Guzman and Dan Burden

counties, and towns) have joined the AFC, covering a population of more than 65 million people.[11]

The initiative's framework highlights the importance of key community characteristics that support the ability of community members to remain independent and active participants in community life as they age. These characteristics cover the built environment, amenities, and services across several areas called domains. These include housing, transportation, health, civic participation, and education, among others, that have an impact the health and well-being of residents.[12] For example, an age-friendly community has affordable options for households with varying income levels and has homes with design features to accommodate people with limited mobility.

Member jurisdictions engage community members, local organizations, and businesses to develop an action plan that prioritizes strategies to address their locality's critical and unique challenges and to align their actions with these valued community features.[13]

The collaboration between local leaders and residents is important not only to obtain the diverse perspectives of each party, but also to begin forming coalitions that can work together toward solving their most pressing issues.

Each community is different and has its own unique set of assets and challenges, especially when considering the needs of people as they age. Local leaders can make crucial decisions today that can have a positive impact on older adults' lives now and in the future by taking steps toward being more age friendly. The AFC is one program, among several others, such as Grantmakers in Aging's AGEnda grants, helping communities do so successfully.[14]

CHALLENGE

As people age, some will need assistance with daily tasks.
Many older adults develop chronic conditions and mobility challenges that make it difficult to care for themselves and their home. The older the members of a household, the more likely they are to have a disability. Older and low-income individuals are at greatest risk of developing a disability.[15] Having a disability or chronic condition can make it difficult for older adults to complete activities of daily living such as bathing, dressing, or eating, as well as instrumental activities of daily living such as cooking, shopping, and managing medications on their own.

If older adults' health and mobility change and they need assistance with these activities, they are faced with a decision on how to get the help they need in order to live safely. They may rely on family members to serve as caregivers, hire personal care assistants to help them in their homes, or move to an assisted living or nursing facility. However, most older adults would prefer to age in their home or community instead of an assisted living or nursing facility; moreover, the costs of these facilities can pose financial hardships.

SOLUTION

Offering supportive services at home or close by in the community can help older adults continue to live safely in their homes.
Supportive services can include a variety of forms of help, ranging from personal care assistance to medication management, that are focused on aiding individuals in completing daily tasks and managing their health and well-being. In urban communities, supportive service programs offered in home and community settings can take the form of collaborations between housing providers and health providers who understand the important role of stable housing in supporting health and well-being. In New York State, the Office for the Aging funds Naturally Occurring Retirement Community Supportive Service Programs (NORC-SSP) in multifamily buildings having a concentration of older adults. The program provides supports and services to facilitate aging at home and in communities.

The success of many of these programs at supporting aging is in part the result of the cooperation of housing providers who promote participation. Housing providers also share information on the well-being of residents with health care provider partners so they can better tailor services to individuals' needs.

Since its inception, NORC-SSP in New York State have served over 19,000 adults ages 60 or older.[16] Around the country, similar home- and community-based programs are offered in senior and community centers in suburban and rural communities by social service agencies and health provider networks.

In fact, contrary to common assumptions, quality support isn't just an option for cities. Whether older adults rent or own, or live in a high-rise building in the city or a single-family home in a rural community, a variety of models are available for offering services that support healthy aging.[17] Some programs offer services onsite in multifamily buildings or through home visits, while other programs are based in central and accessible community centers.

Local governments can facilitate the development and expansion of new and existing home- and community-based supportive service programs by offering grants to fund programs to ensure that services are affordable to low-income older adults. They can also support programs by making space available at low or no cost in community centers so that programs can operate in central and accessible locations. State governments also play an important role by funding supportive service programs for aging through grants from various sources.

CHALLENGE

An older adult's home is not physically accessible or requires burdensome or expensive upkeep.
Structural barriers, such as narrow doorways and the absence of a first-floor bathroom, can make it difficult for older adults with mobility limitations to meet their daily needs and engage in routine activities.

A home's age and size have implications for the amount of time and effort required to keep it well maintained, up to local building codes, and accessible to an aging individual. Older homes (which are often where older individuals may reside if they have lived there a long time) typically require more maintenance than newer homes and can pose a barrier to aging in place. Residents may be unable to manage upkeep or improve accessibility because of physical or financial restrictions.

Photo credit: Benjamin Rednour

AARP and partners renovated a home in Memphis, Tennessee to incorporate universal design features to accommodate the needs of residents as they age.

SOLUTION

Existing homes can be modified to improve accessibility and safety for older residents, while communities can implement innovative programs to enable such improvements.
A simple modification might be installing handrails to make it easier to use stairs; a more complex modification might involve adding a bedroom on a home's first floor or widening doorways to accommodate a wheelchair. Modifications such as grab bars and railings make homes more accessible and can reduce the risk of falls needing medical treatment, a prevalent cause of injury among older adults, by about 20 percentage points.[18]

Local governments can take numerous steps to support home modifications for older adults, including adopting expedited permitting and review policies, certifying home improvement contractors that specialize in aging-in-place modifications, and allocating resources from housing trust funds or other revenue streams to subsidize the cost of home modifications for income-eligible residents.[19]

Home modifications can be a viable option to enable homeowners to remain in their homes as they age; however, renters are generally at a disadvantage because they have less control over the features of their homes. Accessibility requirements of the Fair Housing Act do not apply to buildings with fewer than four units, so older renters in single-family

homes, duplexes, and other small structures can often face hardships as a result. Although the Fair Housing Act permits renters with disabilities in single-family homes to make "reasonable modifications" to improve accessibility in their homes, they must do so at their own expense,[20] which can present a challenge for those with limited financial resources.

Communities can provide assistance to landlords to make modifications that accommodate the needs of their tenants. In Boston, for example, landlords who rent to older adults or people with disabilities are eligible to apply for the Metropolitan Boston Housing Partnership's zero- and low-interest home modification loans. The program issued nearly 2,000 home modification loans between 2000 and 2013.[21]

In the case of new construction, jurisdictions should consider building codes that require accessibility features to accommodate residents as they age, thus reducing the prevalence of barriers and minimizing the need for future home modifications.

CHALLENGE *In many communities, the existing housing stock does not offer a range of choices for older adults wishing to remain in their community by moving to homes that are smaller or closer to transit, shops, places of worship, and other destinations.*

Almost 60 percent of adults over age 50 live in single-family detached homes.[22] Those homes may be too large, too expensive, and too automobile dependent for many residents. Restrictive zoning laws and other land-use policies or strong "NIMBY" (not in my backyard) sentiment can make it difficult for developers to build multifamily housing, accessory dwelling units (ADUs), or other, often smaller, more affordable and accessible alternatives to single-family homes.

Meanwhile, land-use policies that separate homes from services and amenities can make aging more difficult for people who want to remain in their homes and communities. For example, health care and social service facilities that are permitted only in areas far from where many older adults live can make it difficult for them to receive the care they need, especially if public transportation services are inadequate and driving is not an option.

SOLUTION *Local governments can revisit their zoning policies and encourage a mix of housing types and affordability levels to accommodate older adults and others interested in multifamily housing.*

For example, communities can rezone areas to accommodate more compact residential development near transit stops and in mixed-use, walkable communities—increasing accessibility for older adults who are unable or choose not to drive. By coordinating this development with their affordable housing policies, communities can ensure that a portion of these units are affordable to low- or moderate-income households.

Another possibility is to promote the use of ADUs, which are self-contained residential units located either within a single-family home or on the same property. Many local communities have adopted ADU policies. The city of Santa Cruz, California, for example, developed "ADU Plan Sets Books," which include ADU plans designed by architects and a homeowner manual for how to plan, design, and obtain permits for an ADU.[23] Since ADUs are built on existing properties rather than on the fringe of the community, they are more commonly located near city amenities and bus routes. They also tend to be smaller and more affordable than stand-alone units.

CHALLENGE *As older adults age, incomes often do not keep pace with housing costs.*
Housing costs in excess of what older adults can afford may also present a barrier to aging in place, particularly for those with limited financial resources. Nearly one-third of adults between the ages of 50 and 80 spend more than 30 percent of their income on housing costs, while almost 40 percent of adults 80 years or older spend more than 30 percent of their incomes on housing.[24] Spending more than 30 percent of income on housing may reduce the available funds that families have for other vital household expenses. Although both owners and renters are susceptible to housing cost burdens, the two groups face very different affordability challenges.

More than 80 percent of households headed by adults 65 or older own their homes.[25] Historically,

housing affordability problems for older homeowners could be traced to rising property taxes, utility costs, or costly property insurance. Recently, however, challenges have evolved, particularly with so many Americans relying on their homes as a key financial asset. The Great Recession during the past decade and the subsequent collapse in the housing market impacted many older homeowners when property values tumbled. The depressed housing prices in many markets contributed to the decline in the net wealth (primarily home equity) of low-income older home owners. Between 2007 and 2010, the median net wealth of low-income homeowners ages 50 and older fell by about 30 percent.[26] This loss of wealth poses a major challenge to homeowners who were planning on using the proceeds of the sale of their home to pay for health care or supportive services that they may need as they age.

For renters, hundreds of thousands of government-subsidized units affordable to low- and moderate-income households are at risk of being lost as their landlords reach the end of their required affordability periods.[27] Historically affordable rental homes, particularly those that lack government subsidies, are also at risk of becoming less so as they are upgraded, or as homeowners displaced by foreclosure increase demand (and rents) for low-cost rental housing. Thus, growing competition and rising rents may make it difficult for older adults to remain in their communities.

Whether renting or owning, older adults can benefit from programs that increase or preserve the stock of affordable housing units and reduce costs for existing units.

SOLUTION

Localities have a wide variety of policy tools at their disposal to produce and preserve affordable housing for older adults. Jurisdictions should consider developing a comprehensive housing strategy to assess both the supply of and demand for affordable units targeted to older adults and to coordinate housing policies to meet the needs of the community. In some jurisdictions, for example, it may be appropriate to create a housing trust fund and use the revenue to increase the affordable stock. In others, states and localities may wish to prioritize efforts to preserve the affordability of subsidized

rental housing by maintaining or adding subsidies, refinancing existing debts, or taking other rental preservation steps. In communities with an ample supply of moderately priced units, tenant-based rental subsidies may be the right solution to alleviate cost burdens for older adults. Because housing affordability problems are often multidimensional, a coordinated series of complementary policy solutions that cut across industries is likely the needed strategy in many communities.

Many states seek to reduce housing costs for older adults by providing tax relief to current residents. One example is a homestead exemption, authorized by states and administered by localities, which reduces the portion of a property's assessed value that is subject to taxation. Another example is a property tax deferral program that allows older homeowners to postpone payment of all or part of their property taxes until death or the sale of their property.[28]

To date, 33 states and Washington, DC, use such "circuit breakers" to reduce the property tax burden of homeowners, and many also extend the program to renters.[29] Although renters do not pay property taxes directly, renter circuit breakers offer a tax credit to income- or age-eligible households based on the assumption that property tax is implicitly part of their monthly rent payment. Credits range from 6 to 25 percent of the total rent paid.[30] In Maryland, the state's circuit breaker property tax relief program targets low-income homeowners and renters, including people with disabilities. In 2014, 80 percent of the more than 49,000 tax credits issued to older adult homeowners ages 60 and over in the state had an average value of $1,219.[31] Maryland's tax credit program for renters is open to older adults ages 60 and older, people with disabilities, and households with children. In that same year, the average tax credit for renters in Maryland was $307.[32]

By supporting both policies that expand the availability of affordable housing and those that reduce the housing cost burden for residents, states and localities can provide comprehensive solutions to address the affordable housing needs of older adults.

Federal Policy to Expand Home- and Community-Based Services
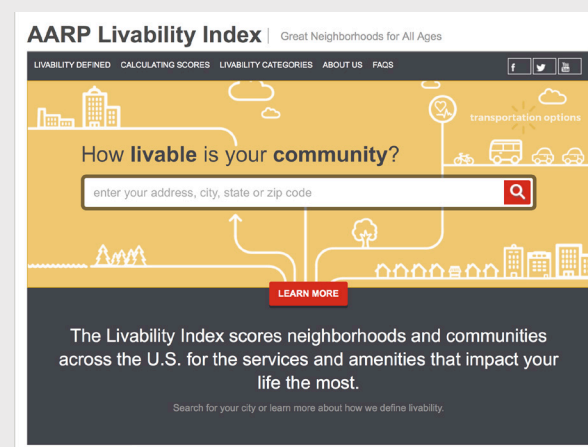
Some provisions of the Affordable Care Act (ACA) have the potential to expand aging-in-place options by better connecting low-income older adults with supportive services. The ACA creates options and incentives for states to offer more home- and community-based supportive service programs to Medicaid enrollees in order to reduce overall Medicaid long-term care spending. In 2013, older adults made up approximately 9 percent of the Medicaid enrollees but accrued 21 percent of total Medicaid expenditures.[33]

This policy direction helps states serve more Medicaid enrollees through home- and community-based services, which are both more cost effective and better aligned with the personal preferences of people who want to age at home instead of in institutional settings. These changes make it possible for states to significantly expand the number of people they serve in home- and community-based settings, making it easier for more low-income older adults to age in place. Potential action to repeal or remove aspects of the ACA could hinder the ability for states to provide the services to those who desire to stay in their homes and communities as they age.

THE LIVABILITY INDEX

AARP's Livability Index: Great Neighborhoods for All Ages is an online resource that measures communities across several categories, including housing, on how well they are meeting the needs of people as they age. The tool scores any location in the United States against a set of indicators that, when combined, reflect AARP's livable communities principles.

The index includes several indicators that highlight a number of housing issues and policy solutions discussed in this *Insight on the Issues* such as the prevalence of homes with accessible features within the community and the existence of state or local policies that support home accessibility. To score your community, visit http://www.aarp.org/livabilityindex.

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