

The Need for Housing Infrastructure Bonds to include Affordable Senior Housing

The Need: Resources to Address Affordable Senior Housing

- Every county across the state, especially in greater Minnesota, lacks sufficient affordable housing to serve the growing number of seniors.**
- One of the fastest growing segments experiencing homelessness are adults age 55 and older, an increase of 8 percent from 2012 to 2015, according to the Wilder Foundation Statewide Homeless Report.**
- By the year 2020, Minnesota will have 220,000 households over the age of 65+ that would qualify by income for affordable housing but for whom no assistance will be available.**

The Issues: Lower Income Seniors Are Caught in the Middle

- Seniors are unable to find vacant, affordable, age-restricted housing, and cannot afford the high cost of private pay, market rate senior housing.**
- Many private pay senior facility operators will no longer accept residents with Elderly Waivers on admission to the facility.**
- Some seniors cannot afford home services, and as they age, home maintenance becomes a financial burden as well as a health and safety issue for the elderly homeowner.**
- The proportion of older adults (55+) continues to be proportionally high in counties in Greater Minnesota.**

The Request – \$110 million in housing infrastructure bonds (HIB) to finance affordable housing with a new eligible use to serve seniors at or below 50% AMI.

This proposal will help finance affordable housing developments that serve households with at least one adult age 62 or older and with a household income that does not exceed 50% of the state’s annual median income (approximately \$30,000 per year or less). Minnesota Housing is also directed to balance funds awarded to the seven-county metro and Greater Minnesota with particular attention directed to projects in communities with population under 25,000.

The Impact – Serving Our Seniors Benefits Communities & Provides Affordable Options

- Adding affordable senior housing will help communities care for their seniors, and would simultaneously open up the supply of more affordable existing homes for working families.
- Providing seniors with affordable housing will allow many of them to move out of their single family dwellings into apartments – opening the single family dwellings for workers and their families.
- Adopting the bill will not only create more affordable housing options for seniors, but will also extend the period of time that seniors will be able to live independently, with access to services that they can choose in their community.

*** “Update Assessment of Demand for Affordable Senior Housing in Minnesota”; Maxfield Research and Consulting, February 21, 2018*