AARP PUBLIC POLICY INSTITUTE

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Spotlight

The Cohousing Movement and Its Position as an Option for Older Adults

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Cohousing is a residential alternative for independent older adults who want opportunities for strong social connections while aging in a community. A typical cohousing community clusters private homes, complete with the same amenities as conventional homes, around collectively owned and managed spaces: a common house (with a communal kitchen, appliances, and shared interior spaces), outdoor spaces, a playground, or a vegetable garden. Cohousing exists in various forms—single-family detached homes, attached townhomes, and multifamily condominiums—and sometimes more than one housing type exists within a community. Most households own their home; however, 10 percent of the communities have one or more units designated for renters.[1] Legally, the majority of cohousing communities are organized as a condominium or homeowners' association; a small percentage are structured as cooperatives.[2]

Cohousing Principles

Cohousing communities differ from typical subdivisions and condominium developments in the expectation that their residents will contribute to the planning and management of their community. Residents regularly meet to solve problems, develop policy, coordinate community events, and maintain the property. Each person takes on roles consistent with his or her skills and abilities and donates time to maintain the shared facilities. While tasks can be outsourced to contractors, resident labor can lower homeowners'/condo association costs. No one resident has authority over the entire community, and decisions that affect the community are made via consensus. All residents share in the upkeep of common land areas and are not paid for their contributions to the community. The community is not a source of income for any household, and therefore each household is responsible for earning its own income. Individual owners can sell or buy into a community on the open market.

While cohousing communities are diverse in both size and setting, they generally share certain facilities, such as a multipurpose common house with a commercial kitchen or large dining room for community meals. Cohousing fosters the sharing of resources, such as books and toys, garden and shop tools, and lawnmowers. The shared amenities not only reduce the need for each household to purchase its own equipment but also decrease costs

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associated with extra space for storage and guest rooms.[3]

The orientation of the spaces, including units, buildings, and outdoor areas, tends to be designed to encourage social interaction. The physical design—locating parking on the periphery, clustering private homes together, and eliminating private garages and driveways—allows for greater open space and shared amenities.

Cohousing by the Numbers

Pioneered in Denmark in the 1970s, cohousing first appeared in the United States in 1990 with a community in Davis, California. Since then, cohousing has spread to 165 established communities across 28 states in rural, suburban, and urban settings—with another 140 in various stages of formation. Cohousing in the United States is largely concentrated on the West Coast (see table 1). With 8 communities, Oakland has the highest concentration of established cohousing communities in a single city, followed by Portland (7), Boulder (5), and Seattle (4). About one-third of cohousing communities are scattered across the East Coast.[4]

Community sizes range from less than 10 households to more than 50; nearly one-third of communities have between 25 and 35 households.[5] Determining optimum size is a challenge for cohousing communities in the formation stages; however, the number of households should be large enough to facilitate management of the common spaces and small enough to comfortably socialize and make consensus-based decisions.

Cohousing for Older Adults

While most cohousing in the United States is open to families and individuals of all ages, a recent study found that older adults make up a larger share of cohousing residents than they do the larger US population. Residents over the age of 60 make up over 40 percent of the total cohousing population, with another 24 percent between 50 and 59 years of age.[6]

There is growing interest in cohousing community options that are specifically for older adults. Currently, more than 300 households live in 15 established, older adult–only cohousing communities (see table 2), and an additional 13 are in the formation stages.[7]

Senior cohousing incorporates all the shared principles of traditional cohousing, but it adds elements geared to the older adult in both its physical design (e.g., universal design and caregiver accommodations)

TABLE 1
States with More than 10 Established Cohousing Communities

State	Communities
California	35
Washington	18
Colorado	15
Massachusetts	14
Oregon	12
North Carolina	11

Source: Cohousing Directory, Cohousing Association of the United States. Accessed September 2018. https://www.cohousing.org/directory

TABLE 2
Established Older Adult Cohousing Communities

Community	Location	Homes	Move-In
Acequia Jardin	Albuquerque, NM	10	2013
Elderberry	Rougemont, NC	18	2014
ElderSpirit	Abingdon, VA	29	2006
Glacier Circle	Davis, CA	8	2005
Mountain View	Mountain View, CA	19	2015
Oakcreek Community	Stillwater, OK	24	2012
PDX Commons	Portland, OR	27	2017
Phoenix Commons	Oakland, California	41	2016
Sand River Cohousing	Sante Fe, NM	28	2009
Silver Sage Village	Boulder, CO	16	2007
Walnut Commons	Santa Cruz, CA	19	2014
Valverde Commons	Taos, NM	28	2011
Wolf Creek Lodge	Grass Valley, CA	30	2012
Shepherds Village	Shepherdstown, WV	30	2018
Quimper Village	Port Townsend, WA	28	2017

Source: Cohousing Association of the United States

Case Study: Day Star, Tallahassee, Florida*

Day Star is an intergenerational cohousing community in Tallahassee, Florida, with residents' ages ranging from the early 40s to mid-80s. Established in 1993, DayStar got off the ground with three families purchasing land and creating a development corporation, which managed sales and zoning approval needed to combine the individual lots. The community has since grown to eight households and now functions with a homeowners' association.

Day Star Cohousing Community Members

Photo credit: Day Star Cohousing Community

On the periphery of the community is shared parking, which links via sidewalk to the more interactive, livable zones: grassy areas, a lending library, a vegetable garden, and a fire pit, with houses clustered in between. Houses, which range in size from 1,000 to 2,000 square feet, were built with porches facing– or nearby–the meandering sidewalk. Unlike many cohousing communities, Day Star does not have a common house. Instead of sharing meals in a communal dining hall, members rotate potluck hosting duties, which keeps homeowners' association fees down. Property management responsibilities are shared, though due to the community's small size, many tasks, such as cutting the grass and maintaining trees, are contracted to a third party.

Several years after Day Star was established, the community purchased an acre of land and created what became Day Star II, dividing the land up into individual lots and selling five homes. Although this additional community lacks the traditional cohousing features of shared ownership and community maintenance, its residents do participate in social events with the eight cohousing households across the street.

* Nancy Muller, Interview with President of Day Star Homeowners' Association, 2018.

and its collective approach to aging in community (e.g., social activities, health considerations).

Cohousing Considerations

The planning, development, management, and sustainability of a cohousing community is complex. Anyone contemplating this housing choice should be aware of the benefits and challenges that can arise with cohousing.

Advantages of Cohousing

As discussed, cohousing has several benefits; among them are the following:

Relationship building. A cohousing arrangement provides an opportunity for residents to build mutually supportive relationships within their community. Residents foster relationships as they share meals regularly, participate in social and entertainment events, and solve maintenance and management issues together. In addition, residents typically help each other when needed (e.g., give rides to destinations or provide meals to a sick neighbor). The strong social dynamic also lends itself to residents feeling safer, for they know that neighbors are looking out for one another.[8]

Shared amenities. Cohousing can give residents access to shared amenities that would be more expensive for one household to own—amenities such as a shared guest room available to visiting family caregivers. Having access to these amenities means residents can live in smaller, less expensive housing units that are easier to maintain.[9]

Independent living. From the perspective of the older adult, ultimately such benefits—the social dynamics, mutually supportive relationships, and shared facilities—can potentially enable them to remain active and live independently for a longer period of time and delay or even prevent institutional care.

Cohousing Challenges

Creating and maintaining a cohousing community is not a quick and easy undertaking. Here are some of the challenges to consider:

Multiple options, multiple decision makers. Collaboration and consensus building means that potential residents may spend years in the decision-making process to select the land, design the community, and agree on community rules.

Navigating local regulations. Local zoning can be a barrier to the higher-density, clustered housing layout found in many cohousing communities. A shared common house or meeting space might not be permitted by existing zoning, and parking minimums may be required. Groups interested in developing a cohousing community should contact and work with their local planning department early in the process to understand their local land use regulations.[10]

Cost. Development costs for a cohousing community may be higher than those for a typical subdivision. Communities must pay for shared facilities and, in addition, many such communities that want to use sustainable construction practices with limited environmental impact could incur higher costs. Raising funds to pay for an architect, legal counsel, and other professional expenses necessary to start construction may require that residents front a portion of their purchase price to fund predevelopment costs. In the long run, once the community is established, residents may save money from various sources, such as the community's sustainability features, community meals, and shared costs of amenities.

Cost-related solutions are emerging. The growing challenge for financing spurred Fannie Mae to include cohousing in its project standards and may make underwriting loans easier for financial institutions.[11] In addition, local government and community development finance institutions may be able to offer low-interest loans for predevelopment seed money, acquisition assistance, and down payment assistance programs. If a community is willing to set aside some or all of its units for low-income households, then unconventional resources, such as the US Department of Housing and Urban Development's HOME program, could be used for acquisition and construction costs.[12]

Meanwhile, some communities have opted to "retrofit cohousing," whereby an existing group of homes is pieced together instead of building a community from scratch.[13] This model offsets the high upfront costs of new construction but may limit the ability to incorporate desired design features.

Demographic diversity. As residents age, the possibility of decline in physical or mental health may be a challenge for a cohousing community, especially one limited to only older adults. A community, therefore, must attract younger members as residents age and their ability to support the community lessens.[14] In addition, as residents age, they may not have the capacity to fully assist one another with intensive support in activities of daily living.

Cohousing design that isn't age-friendly. Some design elements of cohousing communities can be a challenge for older adults with mobility limitations. Parking located around the perimeter of the community—a design feature to encourage social interaction—often requires residents to walk greater distances between their car and home.[15] In addition, clustered, vertical house designs reduce the housing footprint and preserve the surrounding ecosystem, but they often come with stairwells and entry walkways that become accessibility barriers. These features can be difficult or unmanageable for people who use walkers or wheelchairs.[16]

Cohousing Going Forward

While the cohousing movement has spread throughout the country, at this point cohousing still reaches a relatively narrow group of people. They tend to be White, older, and disproportionately female with advanced degrees and higher incomes.[17] Public awareness of both the development and financing process as well its social and economic benefits may drum up interest among future cohousing residents, policy makers, and financial institutions—and may launch cohousing from its niche to wider availability as a housing option.

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5 Robert H. W. Boyer and Suzanne Leland, "Cohousing for Whom? Survey Evidence to Support the Diffusion of Socially and Spatially Integrated Housing in the United States," *Housing Policy Debate* 28, no. 5 (2018): 653–67.

6 Ibid.

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15 Ibid; Anne Glass, "Elder Co-Housing in the United States: Three Case Studies," *Environment* 38, no. 3 (2012): 345–63.

16 Vera Prosper, *Cohousing in Livable New York: Sustainable Communities for All Ages*, (Albany, NY: New York State Office for the Aging, 2012), https://aging.ny.gov/livableny/resourcemanual/index.cfm.

17 Robert H. W. Boyer and Suzanne Leland, "Cohousing for Whom? Survey Evidence to Support the Diffusion of Socially and Spatially Integrated Housing in the United States," *Housing Policy Debate* 28, no. 5 (2018): 653–67.

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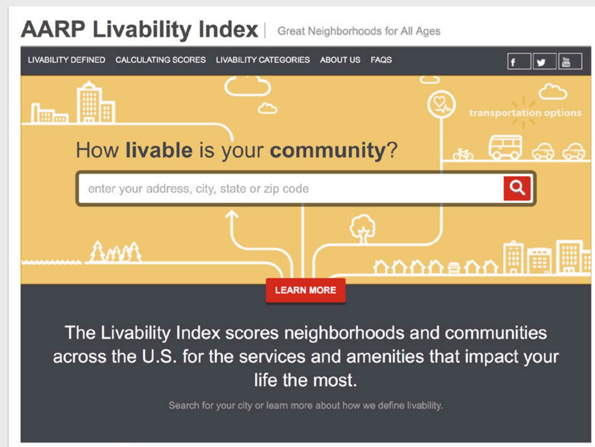
The index includes several indicators that highlight a number of housing issues and policy solutions that contribute to community livability. To score your community, visit http://www.aarp.org/livabilityindex.



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Spotlight

Manufactured Housing as an Affordable Option for Older Adults

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For older adults in need of affordable housing options, manufactured housing, formerly referred to as mobile homes, can be a low-cost, unsubsidized, and widely available alternative to other forms of housing. In addition, manufactured home communities may offer supportive services (personal and/or household) to help people age in place. Manufactured housing communities that offer services are more likely to manage them more efficiently given a higher number of households in close proximity.[1]

The quality of manufactured homes has improved dramatically over the past few decades and is of comparable quality to traditional single-family homes. The smaller square footage and reduced property upkeep of manufactured houses may be more manageable for older adults aging in community.

Who Lives in Manufactured Housing?

Nearly 6.7 million households live in manufactured housing, representing 5.5 percent of all households in the United States. Among them, 3.3 million heads of households are ages 55+ and make up nearly half (48.9 percent) of all households living in manufactured housing, a slightly larger share than among households overall in the United States (45.6 percent; see table 1).

Older adults living in manufactured housing are more likely to be homeowners (85 percent) than renters. They are also more likely to have incomes below the federal poverty level and live alone compared with older adults living in other housing types.

While the homeownership rate of older adults living in manufactured housing is higher than the United States' rate in general (77 percent), it is lower than the homeownership rate of older adults living in single-family, detached homes (91 percent).

Of older adults who rent manufactured housing, 32 percent have incomes below the poverty level—a higher share than those who rent single-family homes (22 percent) or older adult renters in general (29 percent). Greater disparities exist, however, among older adult homeowners. Of older adult homeowners, 20 percent have incomes below the poverty level, compared with only 2 percent of those who own single-family homes and 11 percent of older adult homeowners in general.

Costs of Living in Manufactured Housing

New manufactured homes are, on average, more than 50 percent cheaper to build than new, traditional single-family homes, excluding the value

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TABLE 1
Household Comparison among Older Adults in Manufactured Homes; Single-Family, Detached Homes; and US Housing Stock

	US Housing Stock	Single-Family, Detached Homes	Manufactured Homes
Head of Householder 55+*	55,240	38,177	3,271
55–64	45%	45%	44%
65–74	32%	33%	33%
75+	23%	22%	23%
Married	47%	57%	36%
1-Person Household	36%	27%	43%
Male	37%	38%	42%
Renter	23%	9%	15%
% renter with income below poverty line	29%	22%	32%
Homeowner	77%	91%	85%
% owner with income below poverty line	11%	2%	20%

Source: 2017 American Housing Survey.

**Household numbers in 1,000s.*

of the land (table 2). The average cost per square foot is $50.42 for a new manufactured home versus $111.05 for a new site-built home.

Decline in New Shipments

The number of manufactured homes shipped each year has decreased from an average of 242,000 per year between 1977 and 1993 to just 92,500 units in 2017.[2] Because manufactured homes are often titled as personal property (76 percent of houses shipped in 2017 were designated as such), it is difficult for potential buyers to obtain financing, which is often in the form of higher-interest, shorter-term, and personal property loans. Financing may be less of an issue for older adults if they purchase a manufactured home later in life with cash from the sale of a previous home.[3]

The HUD Code

Manufactured homes differ from all other homes in that they are built according to the Federal Manufactured Home Construction and Safety Standards, which are administered by the US Department of Housing and Urban Development (HUD). Implemented in 1976, and commonly referred to as the "HUD code," the regulations set standards for size, exits, energy efficiency, fire safety and life safety (emergency/evacuation systems), material and construction quality, durability, and transportability. These

TABLE 2
Average Cost per Square Foot of Manufactured and Site-Built Homes

Type of Home	Average Cost, Excluding Land Value	Average Square Footage	Average Cost per Square Foot
New Manufactured Homes	$71,900	1,426	$50.42
New Site-Built Homes	$293,727	2,645	$111.05

Source: 2017 Manufactured Housing Survey, US Census Bureau.

standards preempt local and state building codes, enabling lower costs through mass production. Manufactured housing built since 1976 is safer, more energy efficient, and longer lasting than the pre–HUD code product.[4]

After Hurricane Andrew destroyed many Florida communities, the HUD code was updated in 1994 and again in 1999 to make manufactured home foundations safer and the units better able to withstand high-speed winds.[5] Since then, the HUD code has been updated more regularly, mandated by The Manufactured Home Improvement Act of 2000, to more accurately resemble commonly accepted residential building standards.[6]

Even with more stringent requirements, however, approximately 9 percent (592,000) of families in manufactured homes still live in inadequate conditions, including 2 percent (191,000) that live in severely inadequate conditions.[7] Among occupied manufactured homes, the median year built is 1989,[8] indicating that a significant portion of those living in manufactured homes are housed in older stock. Residents who live in older manufactured homes, and in particular, pre-1976 product, are at particular risk of living in substandard conditions.

Obstacles to Manufactured Housing

Local communities often restrict the placement of manufactured homes through local zoning codes that dictate the size, design, and location of units. Manufactured homes can be banned from single-family neighborhoods or they can be limited by stringent regulations, such as requiring larger lot sizes for manufactured homes than for site-built homes, restricting the number of units that can be placed on a lot and requiring additional onsite installation and landscaping standards.[9]

These zoning restrictions impede the production of new manufactured homes in urban and suburban areas and may explain why manufactured housing units are disproportionately located in rural and unincorporated areas. Nearly half (49 percent) of manufactured housing units are located outside a metropolitan statistical area compared with 22 percent of all single-family, detached housing units.[10] Limitations on the production of manufactured housing reduce low-cost housing choices for low- and moderate-income households.

Manufactured Housing Communities

The Manufactured Housing Institute estimates that there are 40,000 manufactured home communities in the United States. Similar to a condominium structure, residents own their unit but pay monthly fees toward rent for the land on which the home sits, as well as general maintenance and management of the common facilities.[11] Unlike a condominium, however, the manufactured homeowner has a tenant–landlord relationship with the park owner and is not represented on a management board. Leasing a lot in a manufactured home community can expand homeownership to low- and moderate-income residents because the land is not included in the cost of the home.

Another potential advantage to manufactured housing communities is that homes may be clustered together. Older residents might live closer to one another, making social interaction more likely. In addition, supportive services (e.g., meals on wheels or at-home care) can be delivered more efficiently if needed across multiple homes.

The Land Ownership Challenge

Without control over the land, residents have fewer legal protections than other homeowners. Those unwilling or unable to risk moving their home either sell, sometimes at a fraction of the original value, or abandon the home altogether. This prevents the home from becoming a true asset-building vehicle for its owners.[12] Despite the common perception that manufactured homes are mobile, once the home has been installed on its first site, it is expensive to move. It can cost $20,000 to $30,000, according to the National Manufacturer's Homeowner's Association, and can cause significant structural damage that may reduce the home's value. That reality can discourage residents from moving and make them vulnerable to frequent and excessive land rent increases, poor maintenance and management of the grounds, or the conversion of the park to a different use altogether.[13]

There are ways residents can gain control over their communities. Some park tenants have collectively purchased their community as a cooperative, giving them control over the sale, management, and maintenance of the property while still maintaining individual ownership over their home. Collective ownership of the land eliminates the risk of community closure, stabilizes monthly lot fees, and promotes a sense of control over one's community. Recognizing that resident ownership of land is a proven strategy in manufactured home communities, 19 states have "opportunity to purchase" policies that require or encourage park owners to give notice to homeowners so they can organize and secure financing before the land is sold on the open market.[14]

Ownership of the community through a nonprofit or a community land trust is another strategy to prevent closure and unfair park practices as well as retain affordability. In this scenario, a third party owns the land and rents to homeowners under longer-term leases with a commitment to the long-term preservation of affordability.

Case Study: Green Pastures Senior Cooperative

Green Pastures Senior Cooperative is a resident-owned manufactured housing community in Redmond, Oregon, managed by a membership-elected board of directors and restricted to independent adults ages 55+. The cooperative collectively purchased a 51-lot, 9-acre park for $1.4 million in 2009 after the owner of the community decided to sell. After the closing, the cooperative spent $50,000 to repave roads and enclose trash receptacles, and take care of other deferred maintenance. Members own their homes, but each homeowner is charged about $350 per month to cover the community's operating expenses.[a]


Photo credit: Green Pastures Senior Cooperative

Manufactured home in the Green Pastures Senior Cooperative Community

Financing came from a low-interest loan of $1.05 million from Network for Oregon Affordable Housing, a second-position loan of $463,000 from Community and Shelter Assistance Corporation (CASA) of Oregon, and a $100,000 grant from Oregon Housing Community Services. In exchange for this type of financing, the community agreed to set aside half of the lots for low- and moderate-income households,[b] although more than 80 percent of its households earn less than 60 percent of the county's area median income and are considered low income.[c]

Founded in 1988, CASA of Oregon has been involved in preserving manufactured housing since 2006; it is one of nine certified technical assistance providers for Resident-Owned Communities (ROC) USA.[d]

Green Pastures is one of many examples of resident-led ownership of manufactured housing communities. ROC USA is a nonprofit that was formed in 2008 and has overseen the transformation of more than 200 manufactured housing parks to resident-owned communities in 15 states across rural, suburban, and metropolitan settings. ROC USA's efforts thus far have proved successful, as none of the resident-owned communities has failed, faced foreclosure, filed for bankruptcy, or sold its community.[e]

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[a] Green Pastures Senior Cooperative Board. Email/Phone Correspondence in December 2018.

[b] Network for Oregon Affordable Housing, *Properties Financed Index: Green Pastures Senior Park*, accessed October 2018, https://noah-housing.org/docs/project_profiles/green_pastures.pdf.

[c] Dan Elliot, "Manufactured Housing: Challenges and Opportunities," A Presentation to Oregon Housing Stability Council, Salem, OR, 2016.

[d] ROC-USA, *Network Affiliates*, accessed April 2019, https://rocusa.org/about-roc-usa/network-affiliates/.

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5 After 2004 Hurricane Charley (Category 4), a field study conducted by the Institute for Building Technology and Safety confirmed that these updated standards improved the integrity of manufactured homes. Post-1994 products perform significantly better than pre-1994 homes and on par with site-built homes of the same age. Robert Stroh, "Hurricanes and Manufactured Housing," *The Housing News Network Journal* 20, no. 3 (2004), pp 9–10.

6 Matthew Furman, *Eradicating Manufactured Homes: Replacement Programs as a Strategy* (Cambridge, MA: Joint Center for Housing Studies, Harvard University and Neighbor Works America, 2014).

7 The most common problem is related to heating; 2017 American Housing Survey.

8 Ibid.

9 Casey Dawkins et al., *Regulatory Barriers to Manufactured Housing Placement in Urban Communities* (Washington, DC: HUD PD&R, 2011).

10 Goodman et al., *Manufactured Homes*.

11 "Promoting Resident Ownership of Communities," National Consumer Law Center, updated 2015, https://www.nclc.org/images/pdf/manufactured_housing/cfed-purchase_guide.pdf.

12 Ibid.

13 "Promoting Resident Ownership of Communities," National Consumer Law Center.

14 "Promoting Resident Ownership of Communities," National Consumer Law Center.

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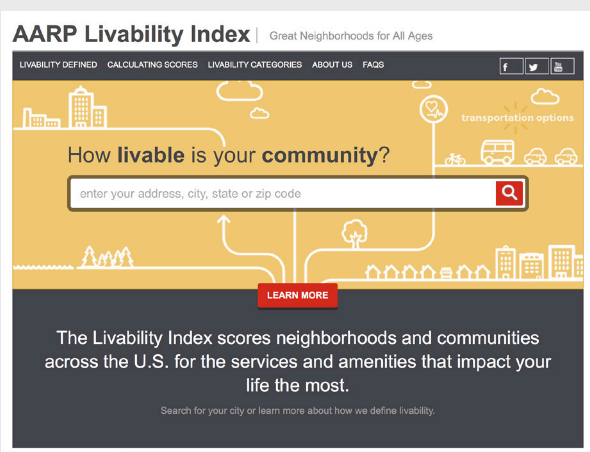

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Spotlight

Multigenerational Housing on the Rise, Fueled by Economic and Social Changes

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The number of Americans living with multiple generations under one roof has been growing for nearly four decades, driven by a mix of economic, social, and demographic changes. As of 2016, a record 64 million Americans lived in a household with two or more generations of adults over 25 years old or grandparents living with grandchildren under age 25. Twenty-four percent of older adults (ages 55–64) and 21 percent of adults 65 and older were part of such a household.

The Pew Research Center tracked the fall and subsequent rise of multigenerational households between 1950 and 2016. After declining to its lowest point in 1980 (12 percent), the share of multigenerational households has almost reached the 1950 peak—now representing 20 percent of the total population. Growth in these households was particularly steep between 2007 and 2009, when job losses and high unemployment from the Great Recession drove younger adults back home. Even with an improved economy, however, an additional 3 percent of the population chose multigenerational living between 2009 and 2016 (see figure 1).

The Pew Research Center suggests that the increase in generations sharing a home is not just due to economic factors, but part of growing racial and ethnic diversity, with various groups more likely to live in multigenerational family households, often because of cultural customs (see figure 2). Asian (29 percent) and Hispanic (27 percent) households have the highest share of people living in multigenerational arrangements and are growing at a faster rate (21 percent and 25 percent, respectively) than all other racial groups.[1]

Grandfamilies

In 2016, approximately 7.2 million grandparents were living with their grandchildren.[2] Among them, 3.2 million were part of households without a parent present, up from 2.9 million in 2012.[3] These households, often referred to as *grandfamilies*, form as a response to both temporary and permanent circumstances, such as joblessness, poverty, the

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death of a parent, mental illness, extended military deployment, incarceration, or substance abuse.

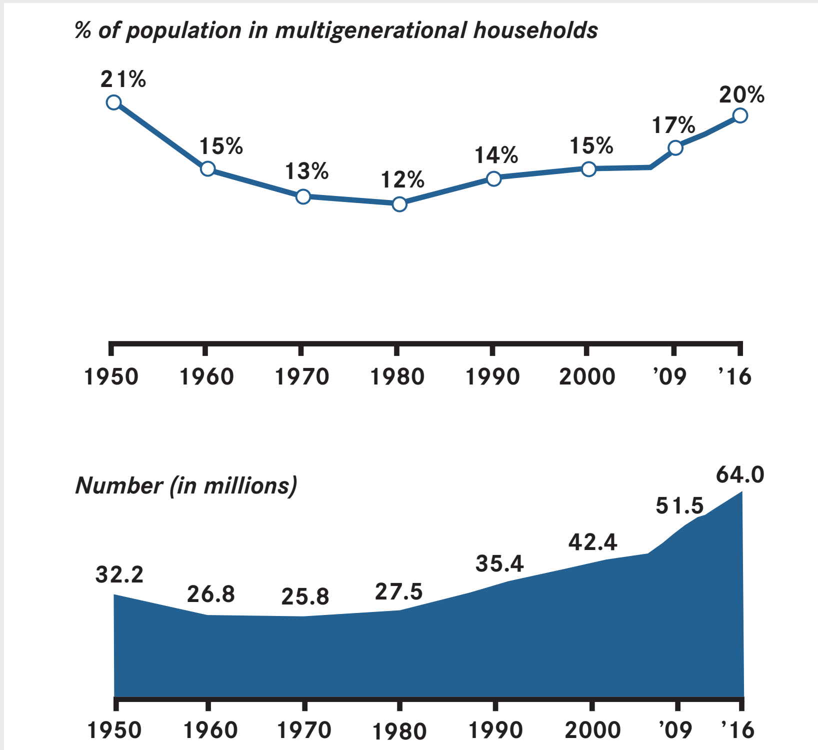
Of particular concern recently is the increase in opioid addiction and its impact on the children of users. Between 2009 and 2016, the incidence of substance abuse as a contributing factor for children's out-of-home placement rose from 25 percent to 37 percent. Researchers point to increased opioid addiction cases as a main contributor to the rise in grandfamilies.[4] In response, Congress established an Inter-Agency Advisory Council to identify gaps in services to meet grandfamilies' needs (e.g., caregiving, educational, nutritional), document best practices, and locate resources for grandfamilies. The Supporting Grandparents Raising Grandchildren Act of 2018 requires that the Advisory Council consider the physical, mental, and emotional health needs of families affected by opioids.

Some nonprofits and public housing authorities are addressing the need for housing affordable to this population, providing housing rich with supportive services and design features (e.g. sports courts, safety features) that cater to both children and older adults.[5]

Multigenerational Housing: Supply and Demand

According to a 2016 survey of more than 23,000 new home shoppers, 44 percent would like a property that could accommodate older parents and 42 percent

FIGURE 1
Growth in Multigenerational Households, 1950–2016



Source: Pew Research Center analysis of 1950–2000 decennial censuses and 2006–2016 American Community Survey (IPUMS).

Note: Multigenerational households include at least two adult generations or grandparents and grandchildren younger than 25.

plan on housing adult children in their next home. This desire to have space for extended family may explain why 65 percent of respondents desire a bedroom with bath on the ground level and 24 percent want a suite with a kitchenette and small living area.[6]

A 2014 survey conducted by the Urban Land Institute, however, shows mixed reaction from the real estate industry, with some adjusting their product offering and others not doing so. Builders who have recognized the trend have designed floor plans with two master bedrooms or transformed basements into lower-level suites or family rooms. Others have attached a suite with amenities such as a small kitchenette, a private bedroom and bathroom, and a private entrance that also connects to the main home.

While the most desirable design for a multigenerational family is often a one-level, single-family home, such a design can be challenging to provide in denser areas where square footage is less available. While some survey respondents believe there is significant demand for homeownership units, others believe the most significant growth will occur in multifamily rentals. In general, respondents noted that housing suitable for multigenerational living should have space that is large enough to balance connectedness with privacy, have the flexibility to accommodate the family's changing needs, and feature an accessible layout.[7]

Limitations in Multigenerational Housing

Lack of financial resources and zoning restrictions are significant barriers that may limit the supply of housing suitable to multiple generations. Many Americans are unable to afford newly constructed housing, and in most communities, the existing housing stock is not built for multigenerational living. Adopting design strategies such as universal design and visitability (i.e., zero-step entry) can help create new homes that serve people of all ages. Home modifications and retrofits can help improve the existing stock. In some cases, adding basic design elements (e.g., grab bars in the bathroom) may be enough to adapt the home for an older adult with limited mobility. Some home modifications may require costly construction to expand and renovate the home to meet universal design standards.

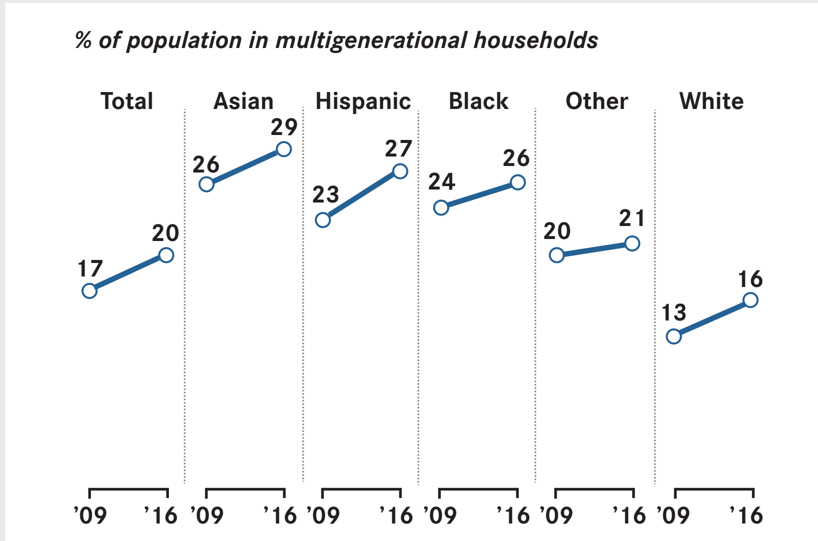
Accessory Dwelling Units

Accessory dwelling units (ADUs), also known as in-law suites or granny flats, are residential units that are secondary to the primary residence of a home. While design and construction can require substantial capital investment, these units can accommodate larger families, add space for a family caregiver, or provide potential rental income.

One-third of adults polled in the 2018 AARP Home and Preference Survey said they would consider building an ADU on their property. For families wishing to build, however, zoning restrictions and rules—from offsite parking requirements, minimum lot size requirements, and expensive permitting to the outright banning of ADUs without special permission—sometimes hinder or prevent significant development. In fact, only eight states, in addition to the District of Columbia, have statewide policies about ADUs.[8] Removing restrictions and easing the ability to develop housing for multigenerational living provides more options for families to accommodate their changing household dynamics. AARP's Future of Housing website, http://www.aarp.org/futureofhousing, provides useful housing resources. Among those is a publication, *Accessory Dwelling Units: A Step by Step Guide to Design and Development*, for those interested in learning more about building ADUs.

FIGURE 2

Share of Multigenerational Households by Race, 2009–16



Source: Pew Research Center analysis of 2009 and 2016 American Community Surveys (IPUMS).

Note: Multigenerational households include at least two adult generations or grandparents and grandchildren younger than 25. Hispanics are of any race. Asians include Pacific Islanders. Whites, blacks, and Asians are single-race only and include only non-Hispanics. "Other" includes non-Hispanics in remaining single-race groups or multiracial groups.

Case Study: Grandfamilies Place, Phoenix, Arizona

Grandfamilies Place of Phoenix was built in 2012 as part of a joint partnership between a local nonprofit, Tanner Properties Inc., and Alliance Property Inc. The project includes 56 units designed for grandparents (ages 62+) raising their grandchildren. It is the first community of its kind in Phoenix, Arizona, and one of the first nationwide to have a residential grandfamilies program.*

The project was financed with a combination of private and public resources, including from federal programs such as Low-Income Housing Tax Credits and HOME funds. Units are income restricted; rents are affordable to households that earn between 40 percent and 60 percent of the area median income.

Photo credit: Grandfamilies Place

Housing and amenities at Grandfamilies Place

Onsite supportive services target older adults and youth residents and range from case management, counseling, and community connections to grandparent support groups, academic support, and after-school programming. Design features include playgrounds and sports courts, a swimming pool, separate recreation centers for grandchildren and grandparents, a computer lab, and a fitness room. Units are a mix of two and three bedrooms, with some accessible to persons with a disability.†

* Grandfamilies House in Boston, Massachusetts, was the first "grandfamilies" project in the country, developed in 1998.

† Ela J. Rausch, *An Exploration of Subsidized Grandfamily Housing in the United States: What Works* (Minneapolis, MN: University of Minnesota, 2016).

1 US Census Bureau, "American Community Survey 5-Year Data for 2016," (Washington, DC: U.S. Census Bureau, 2017).

2 Ibid.

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8 American Planning Association, *Accessory Dwelling Units: Statutes*, accessed October 2018, https://www.planning.org/knowledgebase/collection/9120188/search/?keyword=&tags=1530&sort=relevance.

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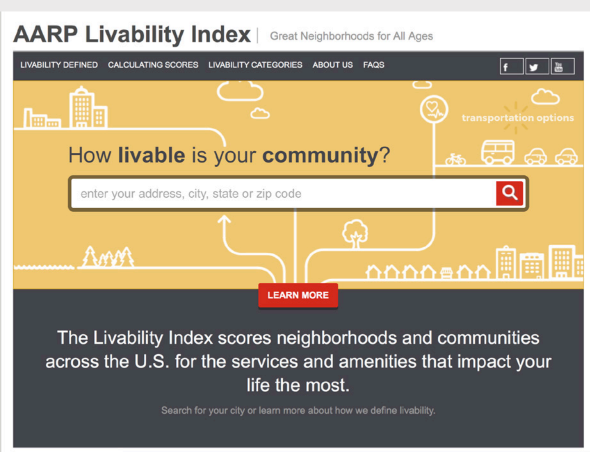

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Spotlight

Supportive Housing: Critical to Meeting the Needs of an Aging Population

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LSA, LLC

Supportive housing combines housing with health and other services in a supportive social community to help enable older adults and persons with disabilities maintain their independence. The demand for supportive housing options will increase as the baby boom population ages, life expectancies lengthen, and more older adults need health care and other supports to help them age in their communities. At the same time, health care costs continue to rise faster than the rate of inflation and there is a need for options to provide care more efficiently. For example, between 2004 and 2018, the average cost of care in a private nursing room increased 54 percent; the cost of assisted living rose 67 percent over that same period.[1] While new models of combining housing and services are promising, the availability of supportive housing options for older adults generally is not sufficient to meet demand.

Defining Supportive Housing

Supportive housing, a term that can be used differently in various contexts,[2] is an umbrella term for residential settings that are designed to provide a range of intensive supportive services onsite while providing residents a private living space. Housing may be temporary or permanent and can offer different kinds of services and resources. A number of entities provide supportive housing, including health care agencies, faith-based organizations, and community-based volunteer groups. Some older adults remain in their homes and rely on health and social services in the community to meet their needs. For others, supportive housing provides an alternative where residents can live in a community with integrated, onsite health and social services. A key characteristic of all supportive housing is that health and other social services are provided in a residential, rather than an institutional, setting.

The types of services provided in a supportive housing model vary but can include meal deliveries, health monitoring, emergency

To learn more about AARP's efforts to bring diverse partners together to address affordability and accessibility challenges and create a new vision for housing, visit **http://www.aarp.org/futureofhousing**.

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response, housekeeping, laundry, and recreational opportunities. By providing residents with help on an as-needed basis within a small community, older adults are able to live comfortably while maintaining their independence and autonomy as they age.

Many different kinds of organizations have developed over the years to meet the demand for supportive housing. Assisted living communities, adult foster care homes, continuing care retirement communities, congregate housing, and villages have been developed across the country. The cost and type of supports vary widely, leaving older adults with multiple options to evaluate.

Assisted living communities provide private residences for older adults and offer a level of care that ranges from light "hospitality" services to more intensive nursing care. The Assisted Living Quality Coalition defines assisted living as "a congregate residential setting that provides or coordinates personal services designed to minimize the need to move; to accommodate individual residents' changing needs and preferences; to maximize residents' dignity, autonomy, privacy, independence, and safety; and to encourage family and community involvement."[3] Assisted living communities can provide disease-specific programs that range from Alzheimer's, diabetes, cardiovascular to depression programs.[4] State licensing requirements establish the parameters within which assisted living residences operate, including admission and discharge standards, the size of the units, and the availability of state reimbursement for care. Regulations vary widely among states and have a significant impact on the options available. Some people may view assisted living as a preferable option to institutional care, such as a nursing facility.

As of 2014, there were 30,200 assisted living communities with a total of 1 million licensed beds in the United States. The national median cost of assisted living was $4,000 per month, or $48,000 per year, for a private, one-bedroom unit.[5] As individuals age and health care needs increase, so too does the cost of care.

Adult foster care homes (AFCHs) are a unique type of residential care usually furnished in a provider's own home. While each state's requirements vary, a common feature of AFCHs is supportive services on a 24-hour basis in a home-like setting, with a group of up to 5 or 6 adults. In 2014, nationally, there were about 18,900 AFCHs serving an estimated 64,189 residents.[6] Approximately 50 to 60 percent of residents pay with private funding (including family resources).[7] The median cost for care in an adult foster care home is about $26,208 annually, or $2,184 per month, based on 7 days per week of care.[8]

Continuing care retirement communities (CCRCs) offer a wide range of housing types with a continuum of services and amenities. CCRCs are designed to enable residents to transition from private homes to assisted living residences and ultimately skilled nursing facilities as their needs change. There are more than 1,900 CCRCs in the United States.[9] CCRCs are a high-cost option for supportive housing, and can be cost-prohibitive for lower-income older adults.[10] CCRCs are particularly known for having a large lump-sum entrance payment, which ranges from about $107,000 to $427,000. Even with such these high entry fees, residents also pay monthly fees, which are dependent on the type and amount of medical and nursing care needed. Average monthly service fees range from $2,000 to $4,000.[11]

Congregate housing offers a less intensive level of service than the models described above. Here, older adults live independently in apartments but receive hospitality-style services, such as light housekeeping. Congregate housing is not licensed by the state, and most congregate housing expenses are paid out of pocket. Costs of congregate housing vary. The U.S. Department of Housing and Urban Development's (HUD) Congregate Housing Services Program funds up to 40 percent of the cost of supportive services with states, localities or public housing authorities paying 50 percent of the service costs and individuals receiving services paying 10 percent of the costs.[12]

Villages are local membership organizations led by a small staff and volunteers who aim to support older adults' desire to age in place. Members pay an average annual fee from $200 to $1,000. Villages are structured to meet members' unique needs (from home maintenance to health care referral) and to enhance social connections. Typically, residents live independently and need only occasional support services. There are over 200 villages across the United States offering a variety of services, including transportation services, grocery shopping and delivery, light home maintenance, cooking, and laundry. In general, villages are not designed to offer health care services, although transportation to medical appointments is sometimes provided.

Structuring Supportive Services

Supportive housing models strive for high-quality services and community-based housing that continually promotes independence and aging in place. To be successful, housing organizations must partner with health agencies, service providers, and government. There is no standard approach to combining and delivering supportive services in residential settings.

Some models choose to streamline all components using a single provider to manage both housing and the delivery of services. This arrangement can simplify information sharing and coordination of care, but it can also result in added training and staff costs for agencies that lack experience in one of these areas.

A growing number of housing developments, including some that receive federal subsidies, have contracted with outside vendors to provide health, social, and other services. Employing contractors can reduce staff costs and enable more efficient service delivery by taking advantage of expertise already available in the community.

Whether hiring contractors or providing everything in house, care managers and service coordinators play a key role in connecting residents with needed supports and facilitating communication between housing and services staff. Care managers are also critical in evaluating tenants during the admissions process, and on an ongoing basis, to ensure continued access to appropriate services. The health care sector is critically important to the supportive housing model. Creating partnerships between multiple service providers to create a treatment plan for a resident requires a transparent form of communication between providers. To ensure the best care, care managers, residential managers, clinicians, and service providers need to establish a working relationship with residences.

Given the number of services and the amount of coordination needed, supportive housing options can be expensive. In some cases, it is prohibitively expensive. Some public subsidies are available to help lower-income older adults access supportive housing.[13]

A Growing Demand

Demand for supportive housing is outpacing availability. And the demand is expected to increase over the coming decades as the population ages. Between 2012 and 2014, the number of residents in supportive housing residences (ages 61+) increased at an average rate of 9 percent a year. Meanwhile, the population ages 65 and older is expected to increase by 64 percent between 2016 and 2040, according to US Census Bureau estimates. By comparison, the population under age 65 is expected to increase by just 7 percent during that period.[14]

The majority of older adults prefer to age in a home setting. A 2018 AARP survey showed three out of four adults ages 50 and older wished to remain in their homes or communities as they age.[15] Therefore, it is critically important to find ways to integrate housing and services to support successful aging in place.

Recognizing affordable housing communities as an underutilized asset in the long-term care system, Cathedral Square Corporation launched the SASH program, focused on colocating wellness, prevention, and care management programs in multifamily housing for older adults. Each development is assigned a SASH coordinator and a wellness nurse, who serve up to 100 program participants. SASH also uses Medicaid funding to pay for a home health acute care nurse and a case manager onsite.

Case Study: Cathedral Square Corporation and Its Support and Services at Home (SASH) Program

Since 1977, the mission-driven Cathedral Square Corporation has developed and managed safe, secure, and affordable rental housing for older adults and persons with special needs. Starting in Burlington, Vermont, the organization's footprint expanded throughout the state to 30 communities. Housing options include light support for independent older adults, shared housing for independent adults seeking a more social environment, and assisted living and memory care options. While most of the units are restricted to lower-income households, approximately 10 percent have no income requirement.[*]

Photo credit: Cathedral Square Corporation

Allard Square, opened in October 2018, includes 39 one- and two-bedroom affordable and market-rate apartments. Amenities include an exercise room, community room with kitchen, activity room, and free SASH programming, similar to all other Cathedral Square properties.

[*] *Cathedral Square, 2018, https://cathedralsquare.org/*

SASH has been documented to reduce rates of hospital admissions, slow the growth of annual Medicare expenditure[16] and physician costs, and improve medication management among participants.[17] The effective coordination of services ensures that participants have the resources to remain in their homes, even as their need for more intensive health care and daily supports increases.

Future of Supportive Housing

Rising health care costs and a rapidly aging population suggest that it is more important than ever to find ways to support the health and well-being of older adults while making efficient use of limited health care resources. Increasing options that combine housing with necessary health care and other supportive services is an important goal for serving older adults in the future. Successful supportive housing models will expand partnerships among nonprofits, community and service providers, and housing developers. Supportive housing options need to be expanded in communities throughout the country—and available to older adults at all incomes—to meet growing demand.

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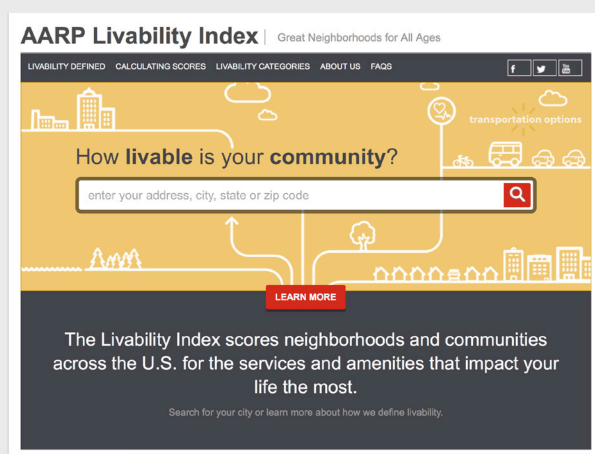

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2 In this publication, the term *supportive housing* refers to the general concept of housing developed to provide supportive services for older adults onsite. It is important to note that supportive housing in the broad sense can be used to provide support and stability for such vulnerable groups as the homeless, residents with physical and mental disabilities, and the older population.

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