

U.S. – Japan Aging in Place Bilateral Program

Tokyo Forum
December 12-13, 2017

Context for Senior Housing

- U.S. facing an acute housing shortage and expansion of senior population
- Affordability and accessibility are greater challenges for low- and moderate-income seniors
- Senior housing needs in the U.S. are on the rise
 - By 2035, 20% of U.S. population will be 65+

Key Drivers of Senior Housing Demand in the U.S.

- Rising housing affordability challenges
- Increase in the number of senior renters
- Desires among seniors to age in place
- Decline in Federal funding for housing

Key Drivers of Senior Housing Demand in the U.S.

- Growing importance of affordable, walkable communities
 - Support mental health and well-being
 - Promote activity and social interaction
 - Support mobility, accessibility and overall quality of life
 - Help seniors age in place

Key Themes for Paper

1. Good design and high-quality amenities are possible in affordable senior housing developments, and can be an important element to supporting aging in place.
2. Creating and preserving senior housing in gentrifying neighborhoods helps seniors stay in their communities as they age, helping to maintain important social connections.
3. Thoughtful rehabilitation and renovation of existing senior housing can help extend the life of affordable housing and make it easier for seniors to remain safely and comfortably in their homes.
4. New funding sources that link housing and transit can help create unique affordable housing projects in neighborhoods that are well connected to transportation options and amenities, which is important to most older adults.

Overview of Case Studies

- Highlight **affordable** senior housing projects in **high-amenity, accessible** communities
- Make use of **innovative** private-public partnerships, varied financing tools
- Support the **health and well-being** of senior residents
- Different geographies / contexts explored:
 - South: Austin, Texas
 - Mid-Atlantic: Washington, DC
 - Pacific Northwest: Portland, Oregon
 - Coast: Hayward, California (part of the SF Bay Area)

**Good design and high-quality amenities are possible
and can support aging in place**

Wildflower Terrace

Austin, Texas

Wildflower Terrace



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Wildflower Terrace

- Importance of amenities and services
 - Physical activity, learning programs and social engagements are just as important as check-ups, vaccines and nutrition to prolong life and promote cognitive health and happiness
 - Physical activities: decrease risk of chronic illnesses
 - Social interactions, experiences: support mental health and well-being
 - Responds to the demand
 - Seniors want community spaces to foster friendships, activities, and access to recreation, shopping and cultural experiences

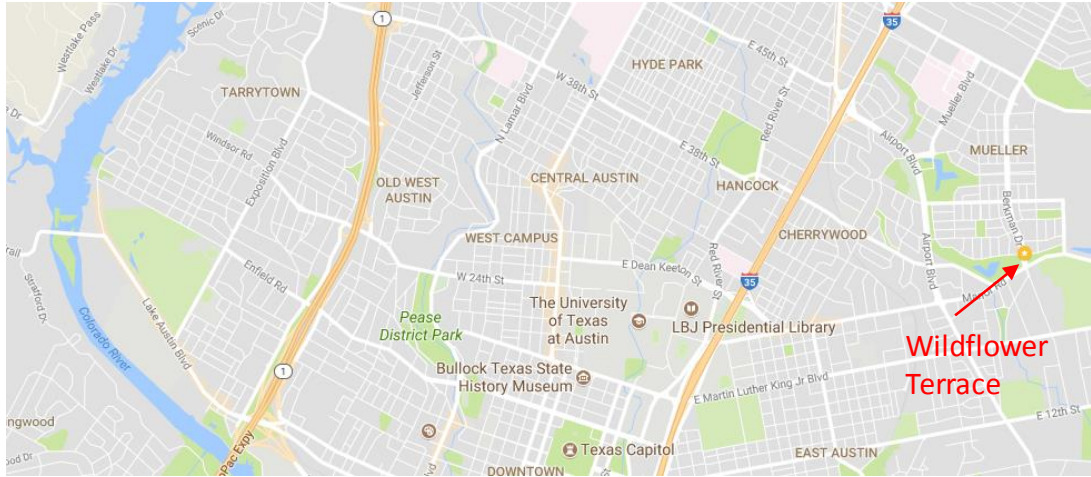
Wildflower Terrace

Overview

- Construction began in 2010, opened December 2011
- 200 units, for ages 55+
- 85% of units affordable at or below 60% Area Median Income (\$15,000-\$29,000)
 - For all units, income mix is tiered
 - Market rate, 30-80% AMI



Wildflower Terrace Location



Wildflower Terrace

Services and Amenities

Amenities:

- Community activity room
- Movie theater
- Fitness center
- Art studio
- Billiards and Game rooms
- Laundry facilities, library, business center, lounge, courtyard

Programs:

- Art classes
- Writing workshops
- Physical activities including Tai-Chi, “Poler’s Club”
- Volunteering
- Host for Lecture series, Neighborhood Associations and Women’s groups

Wildflower Terrace

Design Features for Seniors



- All units designed in accommodate seniors regardless of mobility impairments
- 11 units designed for individuals with visual and mobility impairments

Wildflower Terrace

Financing and Partnerships

- Total Development Costs: \$24.6 million
- Grants, tax credits and subsidies received from public and private sources
- Complex due to timing: approval of tax credit came just before financial crisis; securing equity investor difficult
 - Land subsidy from master developer/Mueller Redevelopment
 - City of Austin Bonds
 - Tax Credit Equity (9%)
 - Deferred Developer Fee

Creating and preserving senior housing in gentrifying neighborhoods allows seniors to stay in their communities as they age

The Hodge on 7th
Washington, DC

The Hodge on 7th



Photo: Maxwell MacKenzie, 2014

The Hodge on 7th

- Obstacles to aging in place in gentrifying neighborhoods
 - A lack of affordable and appropriate housing options
 - Few opportunities for walking, bicycling, or other forms of physical activity
 - Inadequate mobility options, more generally
 - Insufficient access to services and amenities
- Critical to create and sustain “walkable and livable communities”
 - Housing options within walking distance of basic amenities
 - Land use plans & zoning codes that encourage mixed-use, mixed-income communities
 - Policies that stem the tide of displacement in walkable neighborhoods

The Hodge on 7th

Overview

- Completed in 2014
- 90-unit rental housing building affordable to low-income seniors (55+)
 - 18 units affordable at 50% AMI (\$38,650)
 - 72 units affordable at 60% AMI (\$46,380)
- Part of a larger project, City Market at O
 - Existing grocery store, surface parking lots
 - Gentrifying Shaw neighborhood

The Hodge on 7th

Partners

- Roadside Development (mixed-use developer)
- Dantes Partners (affordable housing developer)

- 3 mayoral administrations
- Community engagement

The Hodge on 7th Existing Resources

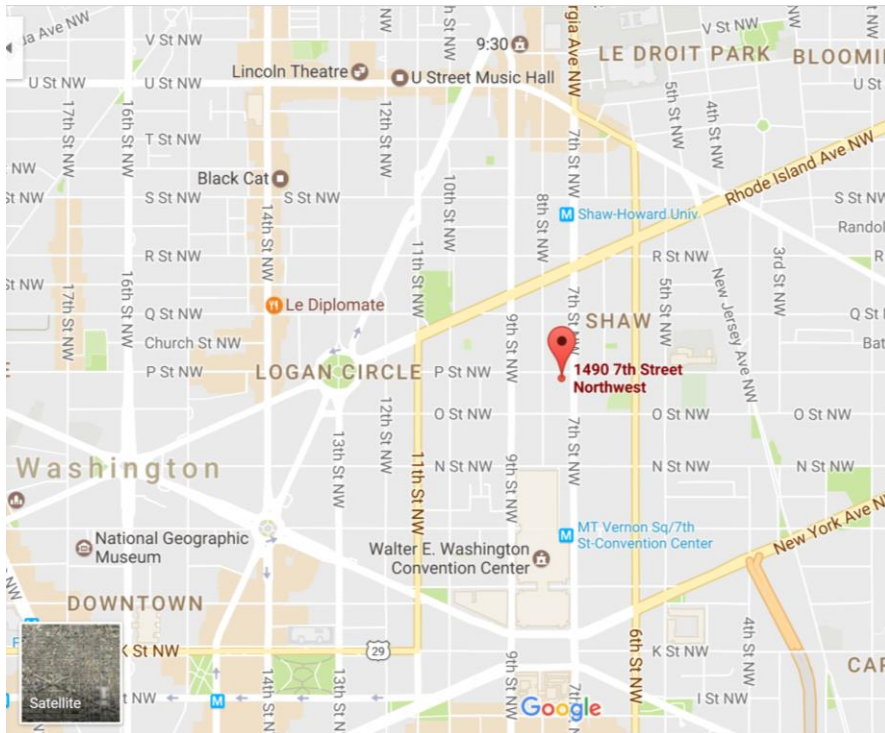
Preservation of Giant grocery store



Photo: Roadside Development

The Hodge on 7th Existing Resources

Existing walkable neighborhood



The Hodge on 7th

Transportation and Amenities

- Project emphasizes the importance of walking and transit
 - Safe, walkable environment that is appealing to the residents
 - Three blocks from 2 Metro stops and on numerous bus lines
- Project targets *active* seniors – on-site health services limited

The Hodge on 7th

Funding Sources

Source	Amount
Senior debt	
Senior mortgage	\$6,840,000
Junior loan from sponsor	\$2,408,222
Soft debt	
DHCD - HOME funds	\$6,279,412
Equity	
LIHTC equity	\$11,504,004
Deferred developer fee	\$163,881
Total	\$27,195,519

Thoughtful rehabilitation and renovation can extend the life of affordable housing and support aging-in-place

Sellwood Center

Portland, Oregon



Sellwood Center



Sellwood Center

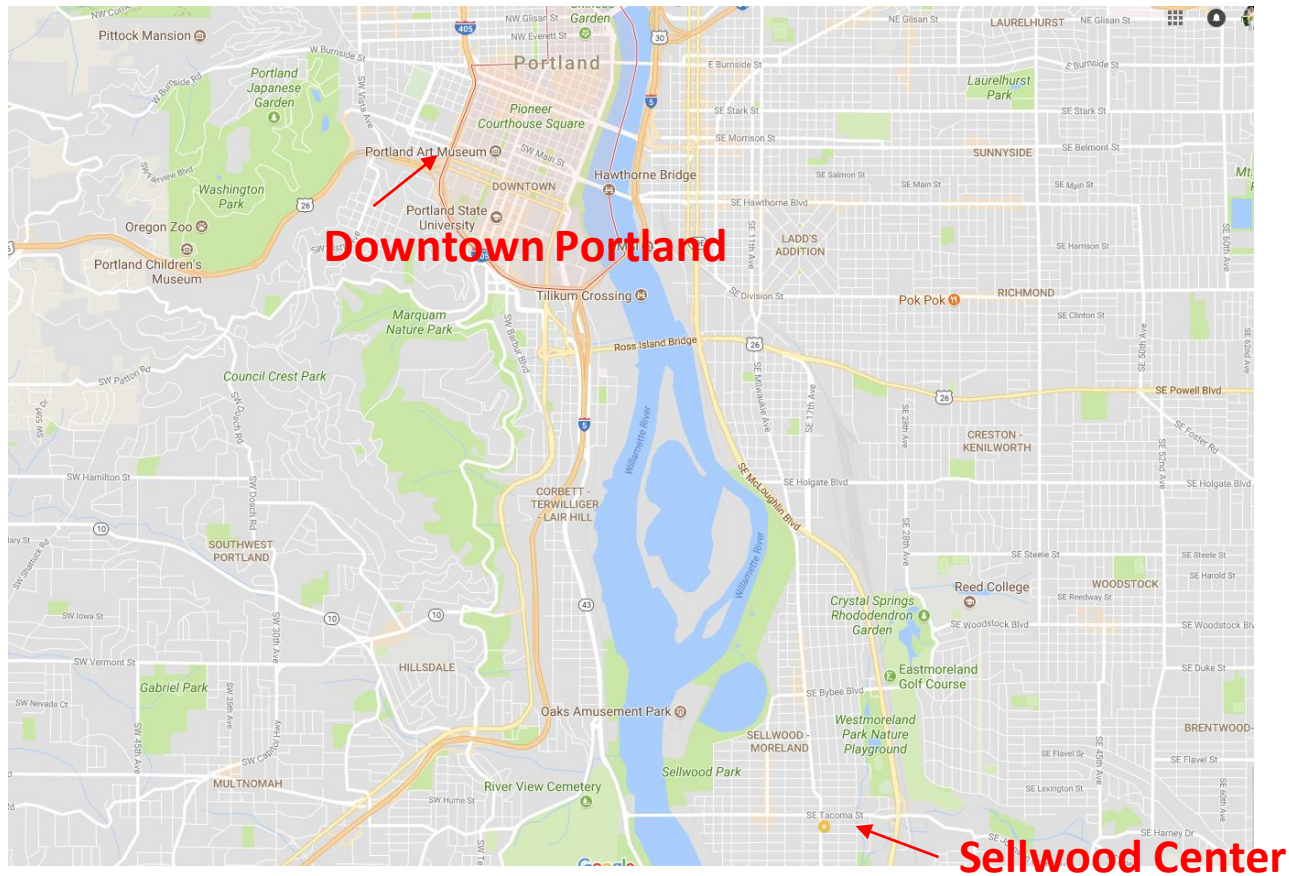
- Production alone cannot meet the demand: preservation of existing senior housing necessary
- Renovations can respond to needs of seniors and improve quality of life
- Supports aging-in-place and can protect seniors from displacement in popular neighborhoods with amenities already in place

Sellwood Center

Overview

- Built in 1971
- 8-story, project-based Section 8 housing
- 110 Studio and 1-bedrooms
- All units affordable at or below 50% of the Area Median Income (average income ~\$9,000)

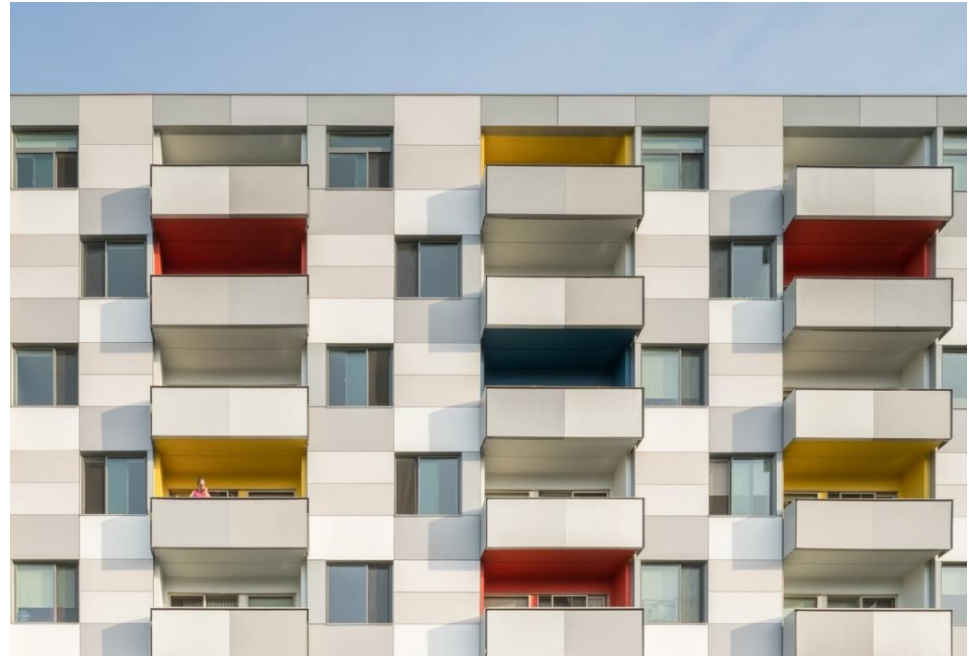
Sellwood Center Location



Sellwood Center Renovations

Exterior upgrades

- New framing, insulation and paint
- High-efficiency insulated windows
- New roof
- Replaced primary entrances
- Improved sidewalks and accessibility
- Landscaping, including storm water management, lighting



Sellwood Center Renovations



Community improvements

- Installed computer workstations for resident use in community room
- Expanded the community kitchen by 250%
- Installed wall-mounted bike racks
- Redesigned property management and resident services offices

Sellwood Center Renovations

Interior

- Structural upgrades to walls
- Installed high-efficiency light fixtures; hot water pump; air conditioning and ceiling fans; new finishes and furniture
- Safety upgrades including to electrical service in emergency systems and new generator
- Modernized elevators, including new motors and controls
- Improved accessibility inside the building; replaced and improved way-finding signage



Sellwood Center

Financing and Partnerships

- Total Costs: \$124.7 million for Sellwood and three other buildings
- Public funding from tax credit equity and tax-exempt bonds
- Changed voucher to project-based rental assistance in order to leverage other private funding sources

Partners:

- Wells Fargo Community Lending and Investment
- Oregon Housing and Community Services
- Energy Trust of Oregon
- MPower Oregon
- Walsh Construction
- Holst Architecture

New funding sources can create unique affordable housing projects that are well connected

Alta Mira

Hayward, California

Alta Mira



Alta Mira

- Declining resources for affordable housing has led developers and their partners to look for new sources of funding
- Combining funds from housing and transportation sources helps promote the housing-transit connection
- Supporting affordable senior housing with transit-oriented funds ensures that low-income seniors benefit from transit investments

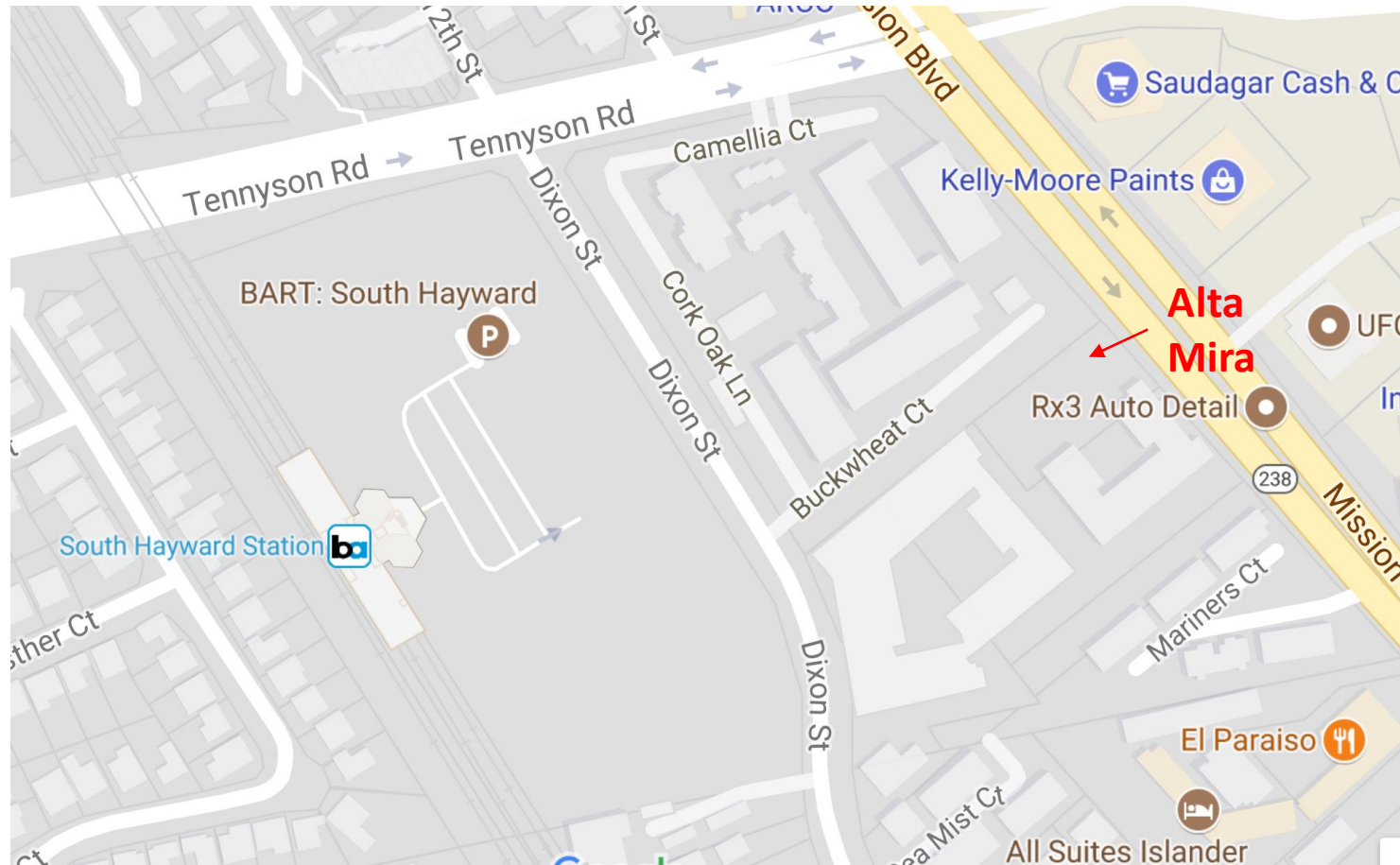
Alta Mira

Overview

- Completed in 2017
- Phase 1 of a master-planned, mixed-income development within walking distance to a commuter rail station (BART)
- Project's infrastructure funding was vital for developing pedestrian connections to mass transit

- 150 units
- Affordable to households with incomes below 60% of AMI
 - ~\$44,000 for a single person

Alta Mira Location



Alta Mira

Transit-Oriented Development

Housing-Transit Connection

- 5-minute walk to South Hayward BART station
- High-density (105 dwelling units per acre) supports transit
- Re-purposed surface parking lot
- Partnership between the City, BART, and developers
- Model that can be replicated elsewhere with public and private transit-oriented land



Alta Mira

Funding and Partnerships

- Total development costs \$52.5 million
- Funding sources:
 - City of Hayward
 - Alameda County
 - California Department of Housing and Community Development (HCD)
 - Infill and Infrastructure grant
 - Transit-oriented development grant
 - Low Income Housing Tax Credit

Disclosure

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