



An Assessment of Demand For Affordable Senior Housing in Minnesota

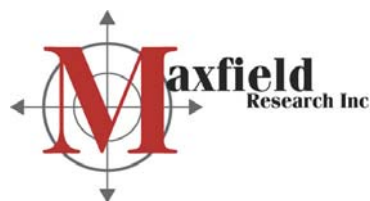
Prepared for:

Consortium of Housing Authorities and Private Developers
Woodbury, Minnesota

November 2014



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November 20, 2014

Consortium of Housing Authorities and Private Developers
c/o Ms. Barbara Dacy
Executive Director
Washington County HRA
7525 Currell Boulevard
Woodbury, MN 55125

Dear Ms. Dacy:

Attached is our report “An Assessment of Demand for Affordable Senior Housing in Minnesota.” Based on an analysis of older adult population and household estimates and projections, an analysis of incomes, tenure trends, home values, and existing affordable housing units in Minnesota, we find:

The number of age- and income-qualified one- and two-person households 55+ in Minnesota that can qualify for affordable age-restricted housing in 2014 is estimated at 149,723 households after accounting for a supply of 23,472 units. This figure is expected to rise to 219,873 by 2020 after accounting for an increase in the supply to 23,750 units. Utilizing a short-term capture rate of 10% of age and income-qualified households results in a need for 15,000 units of affordable senior housing in 2014, increasing to 23,000 by 2020.

“Affordable” is defined as renter households (55+) with estimated 2014 incomes of \$30,000 or less for one and two-person households and one- and two-person owner households with incomes of \$20,000 or less. The income-qualified household base was adjusted for 2020 to account for inflation to include 55+ renter households with incomes of \$35,000 or less and 55+ owner households with incomes of \$25,000 or less.

At a minimum, the construction of 400 units per year split between the Twin Cities Metro Area and Greater Minnesota for the next five years, (2,000 total units), would result in a market penetration rate of the age/income-qualified household base of only 0.3% in 2014, increasing to 0.9% by 2020.

Since the early 2000s, the Department of Human Services (DHS) has surveyed counties in Minnesota to provide information on service capacity for various programs. Between 2008 and 2012, the responding counties combined had a 15% increase in the use of Elderly Waivers¹ in

¹ Elderly Waivers are available to households age 65+ who are Medicaid eligible and have personal care needs that are at the level of a skilled nursing facility, but the household elects to receive these services in a home or community-based setting.

Minnesota demonstrating that an increasing number of seniors (65+) need additional financial assistance to pay for support services.

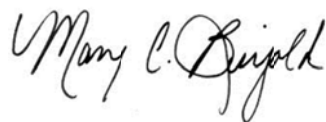
Independent housing with limited services and features targeted to seniors is in high demand, particularly for low-income senior households. As seniors age in place, the majority are expected to need a level of service that may not require assisted living or higher care facilities, but must at least provide some basic services such as transportation, housekeeping, meals and some limited health care oversight.

Independent age-restricted housing affordable to 55+ households with incomes of less than \$35,000 have already proven highly popular with older adult households in the Metro Area and in several locations throughout the State. These units remain in high demand, many with waiting lists, but their availability is severely limited due to low turnover and growing demand. Residents of these properties would be able to be better served if some limited, but basic services such as those mentioned above could be added to these facilities. This would reduce costs, provide more efficiency of service delivery, but would also reduce turnover to some degree. Therefore, the need for these facilities would increase with the addition of basic services.

Those most difficult to serve are older adult households in the middle, those who cannot afford the high cost of private pay market rate senior housing, but do not income-qualify for Section 8 or are unable to obtain affordable age-restricted housing because the properties are full.

Sincerely,

MAXFIELD RESEARCH INC.



Mary Bujold
President

Attachment

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Principal Conclusions

Based on the analysis, Maxfield Research identifies the following key conclusions:

- People age 55 years and older are projected to increase from an estimated 1.57 million in 2015 to 1.83 million by 2020, an increase of 260,000 people, an increase of 16.6% in five years.
- This increase in the senior population will create significant additional demand for housing and care services;
- Households age and income-qualified for “affordable” senior housing are estimated to total 149,723 in 2014, increasing to 219,879 by 2020. Using a short-term capture rate of 10% of age and income-qualified households, we conservatively estimate demand for 14,972 units of affordable age-restricted housing in 2014 increasing to 22,988 by 2020, an increase of 54%.
- Older adults need housing with rent levels that are affordable to their incomes and increased access to care and services;
 - Rental costs in the Twin Cities continue to escalate and vacancies are low; in some areas, severely low;
 - The high cost of rental housing production throughout the State has greatly limited the construction of independent living senior units in Greater Minnesota.
- Cost burden rates for seniors are higher than for non-seniors and they increase as households get older. Fifty-four percent (54%) of senior renters and 26% of senior owners spend 30% or more of their income on housing versus 46% of non-senior renters and 24% of non-senior owner households. As households age, they pay a higher proportion of their income on housing. The current gap is expected to widen as the proportion of older adults increases.
- According to the Wilder Foundation’s Statewide 2012 Homeless Study, older adults (55+) had the largest percentage increase in homelessness since the 2009 study. Statewide, 777 homeless adults age 55 or older were counted in the 2012 study, up from 526 in 2009, a 48% increase. Adults 55+ represent 8% of the homeless population and 26% of the total population in Minnesota. In Greater Minnesota, the survey found double the number of homeless older adults (55+) not using shelter. Shelters in Greater Minnesota are often found to be at capacity. Older adults on fixed incomes are often in precarious economic situations and when rents are increased, they may find themselves not being able to pay rent, buy food and take care of medical expenses on small incomes.

SUMMARY

- Many seniors are likely to outlive their assets or may not be able to access those assets (selling their single-family homes) because of:
 - lack of demand for the single-family home from younger households
 - higher levels of debt on existing homes (continued mortgage balances)
 - lack of affordable housing options in their communities
- The highest proportion of households age 65 or older have household incomes of \$10,000 to \$30,000.
- A majority of low income seniors that have a disability, rent their housing.
- Housing cost burdens increase the older the household.
- Affordable housing options are scarce.
- Federal funding has been cut back and further cuts are anticipated.
- Existing housing typically has long waiting lists.

Key Findings

Dramatic population growth

Housing an aging population and providing “affordable” housing for older adults is already a prevalent topic of discussion and research across the Nation, involving some of the largest elder organizations in the country. These concerns will rapidly become a reality over the next 15 years as the baby boom generation becomes the largest older adult population in our nation’s history.

In Minnesota, people age 55 and over are projected to increase from an estimated 1.5 million in 2015 to more than 2.1 million by 2030, an increase of 39% versus an overall increase in the total population during this same period of 8.9%. In terms of sheer volume alone, the number of older adults that will need assistance with housing and those that will need services will rise dramatically.

Market Rate Age-Restricted (55+) Housing

Market rate age-restricted housing has continued to proliferate in the U.S. with healthcare organizations and private developers that have responded to demand from upper-middle income and affluent households to provide housing and services. However, the rapidly rising costs of providing this housing are often beyond the reach of low- and moderate income older adult households, particularly older adult renter households, whose average net worth is estimated at \$6,100 (Survey of Consumer Finances – 2010). Costs for housing with services are increasing at rates of between 3% and 6% annually according to national surveys. Minnesota’s cost increases at private pay facilities also fall within this range.

Older Adults Owning and Renting

Maxfield Research Inc. has been documenting household tenure trends in the Twin Cities Metro Area and in the State of Minnesota for 30 years through our real estate consulting practice. Between 2000 and 2010, Maxfield Research Inc. has noted a modest shift downward in a number of submarkets in the proportion of those ages 55 to 64 that own their housing. Typically very high, the proportion of ownership in this age category has started to decrease. Some of this decrease can be attributed to baby boomers making a shift in their living arrangements, from owning to renting at an earlier age than did their parents. While more affluent baby boomers are able to support their retirement years through investments and home equity, the increased longevity of the baby boom generation may result in a portion of boomers exhausting their assets earlier than planned. With the sheer size of this generation, even a small proportion (10% to 15%) could result in a large number of people that will not be able to afford their housing and service needs.

Households Living Alone

Currently more than 28% of households now live alone in the US and demographers project that this figure will rise substantially due to the aging of the baby boom generation and an increase in more people's preferences for living alone. While the figure above includes a high proportion of young people, many baby boomers are living alone because they have either remained single all of their lives or are divorced or widowed. For those that have never had children, there will be no generation below them to provide care and financial support as has been the case with most of the current generation. Inevitably, this responsibility will fall to the State and Federal government. There are predictions that some baby boomers may never be able to retire or at least not retire until they are well into their 70s and possibly 80s.

Disability and Housing Cost Burdens

In Minnesota, older adult households at lower incomes are more likely to have disabilities. Of households age 65 or older with incomes of 50% or less of AMI and a disability, 62% rent their housing. For those with incomes between 51% and 80% of AMI and a disability, 51% rent their housing. Households age 65 or older that have a disability at all income levels consistently rent their housing.

Housing cost burdens increase the older the senior household. In Minnesota, an estimated 25% of 85+ households spend 50% or more of their income for housing. An estimated 31% of 65+ household with incomes of 50% or less of AMI spend 50% or more of their income for housing. Typically, households that are renting an apartment are not allowed to make alterations to their units. If there is a need for additional accessibility, this may not be available to the tenant in a typical apartment.

Affordable Older Adult Housing and Services

The need for affordable housing and affordable care services for the upcoming generation is likely to reach critical proportions within the next 25 years, but already boomers with limited resources, including lower wages and those that have never owned a home, are turning to affordable housing. Those with the lowest incomes, 30% or less of Area Median Income (AMI) are seeing options become increasingly scarce. No new Federally-funded Section 8 housing is being constructed and many properties that were once restricted to those 62+ are now at least partially or in some cases, mostly filled with those under age 62 that have physical or cognitive limitations. Many have waiting lists that extend for several months up to five years or more. Housing Choice Voucher waiting lists are also five or more years and many waiting lists have been closed to new applications in the Twin Cities for several years.

Survey Data and Census Data

Some surveys of empty-nesters 55 to 64, indicate that they would prefer to remain in their homes rather than relocate. However, national data is not bearing out this finding. Since the inception of the senior housing industry (late 1970s/early 1980s), the benchmark level of seniors living in senior housing was projected at 15% as market saturation. With the broad spectrum of product that is now available to 55+ households in the market, many communities have surpassed this benchmark and the proportion of those 55 or older living in age-restricted housing is still rising.

Changes in lifestyles and the proliferation of housing products to serve populations age 55 years or older has resulted in increased market penetration by older adults that have elected to reside in properties that provide features and services targeted to serve their needs. As of 2013, the number of age 65+ households residing in age-restricted housing in the Twin Cities Metro Area had reached 18%, excluding housing that serves very low-income seniors, which would raise this proportion even higher.

As older adults age into their 70s, they are more likely to move from their single-family homes and are more likely to rent their housing, according to national statistics from the US Census American Community Survey. Therefore, despite many preference surveys that identify 55+ older adult households as desiring to remain in their single-family homes indefinitely, the reality is that increasing numbers of older adults relocate either voluntarily or involuntarily because of a health issue or the death of a spouse.

According to data provided by the American Community Survey through the US Census Bureau, the highest proportion of households age 65 or older have household incomes of \$10,000 to \$30,000. Roughly 180,000 age 65+ households in Minnesota or xx% of the total had annual incomes of less than \$28,000 (roughly half of the state median income).

Rental Housing Costs Increasing

For 65+ households with incomes of less than \$28,000, their median annual income is only \$16,000. Therefore, housing costs for those earning the median would need to be \$400 per month to be considered affordable. While some apartment rental rates in greater Minnesota are at this level, the housing product is typically not accessible (i.e. does not have an elevator, may only have stairs, may not be wheelchair accessible or other factors which limit the ability of seniors to be able to reside in these general market properties. In the Twin Cities, the average rental rate for a studio apartment is \$759 per month and the average rental rate for a one-bedroom is \$875. Clearly, average Twin Cities Metro Area rents are unaffordable to this group.

SUMMARY

In Greater Minnesota, the lack of affordable housing options for low and moderate-income seniors, especially those with homes that have modest values, creates a gap in the market whereby a proportion of seniors have insufficient assets to relocate to market rate facilities. Although Elderly Waivers provide an option for these households that need services, an increasing number of market rate assisted living facilities will often not accept seniors that have not been admitted first as private pay. This is primarily due to the low reimbursement rates under the Elderly Waiver program versus the cost of care.

Rise in Homelessness among Older Adults (55+)

According to the most recent Wilder Foundation Statewide Homeless Report (2012), older adults (55+) experienced the largest percentage increase in homelessness among all of the age cohorts since the 2009 study. The 2012 report counted 777 homeless older adults age 55 years or older, up from 526 homeless older adults in 2009, a 48% increase.

The 2012 study also found that the number of homeless older adults (55+) not utilizing shelter in Greater Minnesota had doubled since the last survey in 2009.

Additional key findings from the 2012 homeless report include:

- Homeless older adults are the fastest growing segment of the homeless population.
- Males, African Americans and military veterans continue to be overrepresented among older homeless adults.
- About half of older adults did not become homeless until they were age 50 or older; most are unemployed.
- Income support is a critical aspect of support for older homeless adults. While older homeless adults had a higher median monthly income compared to homeless adults under age 55 (\$400 vs \$342), they relied more on General Assistance and Social Security for their income than homeless adults under age 55.
- Sixty-nine (69) percent of older homeless adults reported having chronic health problems. High blood pressure, diabetes, and chronic lung problems were the conditions most often reported. In addition, 41% reported having chronic or persistent mental health problems.
- Forty-five (45) percent of older homeless adults reported they could pay \$200 or less per month for rent. The median amount that older homeless adults said they could pay was \$226.

- More than one-quarter of homeless adults said they needed assistance in applying or reapplying for benefits. Older adults often turn to family for assistance in this area, but 43% of older homeless adults reported they were disconnected from their families.

Decline in Affordable Housing Funding for Older Adults and Seniors

Programs to provide affordable housing for 55+ and 62+ households have been substantially reduced throughout the US and in Minnesota including project-based Section 8 and Section 202. Minnesota Housing's point system for LIHTC funding favors non-senior affordable development. Rural Development funding is available, but is restricted to geographic areas outside of the Twin Cities Metro Area. HRAs/CDAs have provided affordable senior units, but are also trying to manage scarce resources among all of their constituencies. These units have largely filled rapidly, maintain high occupancies and have substantial waiting lists. The need is much greater than the available supply.

Age and Income-Qualified Market and Market Penetration

As of 2012, there were an estimated 183,605 households with incomes of less than 50% of the state's adjusted median income (AMI)². The median income for this group was approximately \$16,000 and accounted for 39% of all 65+ households.

In calculating the potential demand for affordable housing units that would serve low and moderate income households age 55 or older in Minnesota, Maxfield Research identified a total of 149,723 households that would be age and income/qualified in 2014. This figure is projected to rise to 219,879 by 2020 or an increase of 70,156 new households over the period, an average of 11,700 households annually. These figures account for low- and moderate-income households that are already being assisted through other units.

Developing a minimum of 400 units per year of affordable age-restricted rental housing over the next five years (from 2015 to 2020 – a total of 2,000 units) would result in a market penetration rate of the age and income-qualified 55+ household group of 0.3%, increasing to 0.9% by 2020. The age and income-qualified market for affordable age-restricted housing is projected to increase by 47% between 2014 and 2020.

² MN Housing, Profile of Older Minnesotans, 2012.

Study Purpose

Maxfield Research Inc. was engaged by a consortium of Housing and Redevelopment Authorities to complete an assessment of the potential demand for affordable senior housing in the State of Minnesota. In the past, older adults and seniors with moderate and low incomes were primarily assisted through the following housing programs: HUD Section 8 and HUD Section 202. Some additional programs such as the Low-Income Housing Tax Credit Program (LIHTC) were utilized for some properties in the mid-to late 1990s or have been used very intermittently in some locations in the State. Other programs that have been put in place to assist moderate-income older adults and seniors include programs that are financed and operated through local County HRAs including Dakota, Carver, Scott and Washington Counties in the Twin Cities Metro Area. Rural Development's 515 program has also provided assistance for the development of senior housing in greater Minnesota. Rural Development programs are not available for urban areas such as the Twin Cities 7-County Metro (except on the very fringes).

Scope of Services

The scope of this study includes current estimates of the older adult and senior populations including those age 55+, those age 65+ and age 75+. Those age 75 or older are often in need of additional care services. Information was compiled on the number of senior households that are assisted each year through MN Housing through Section 8 and non-Section 8 properties. In addition, we inventoried the number of Rural Development properties classified as elderly. Many of the HUD properties that were at one time exclusively restricted to people age 62 or older, now accept those 62 years or older and also accept those younger than age 62 that have a proven limitation, either physical or cognitive. Depending on the location of these properties, seniors are more reluctant to locate in properties that are mixed age because they perceive they are more vulnerable.

This report includes information gathered from the following sources:

- U.S. Census Bureau
- Ribbon Demographics
- ESRI Inc.
- Minnesota State Demographer
- USDA – Rural Development
- Department of Housing and Urban Development (HUD)
- MN Housing
- Minneapolis Area Association of Realtors
- Minnesota Department of Health and Human Services
- AARP

OLDER ADULT GROWTH TRENDS

Americans are aging as a society. Despite immigration and a modest increase in the birth rate in recent years, the median age in the US also continues to climb (37.6 years as of 2014). The Baby Boom generation, one of the largest in our Nation's history (people born between 1946 and 1964) are now ages 50 to 68 years. Over the next ten years, this generation will be moving fully into their senior years.

Some facts about the Baby Boom generation:

- The first Baby Boomer turned 65 on January 1, 2011.
- An American turns 50 every 7 seconds which is more than 12,500 people every day according to the US Census.
- More people were age 65 or older in 2010 than in any previous census. The population 65 years or older increased at a faster rate (15.1%) than the total U.S. population (9.7%). (US Census)
- By 2015, those aged 50 and older will represent 45% of the US population (AARP).

Retirement

In the United States, retirement has reached a critical point. Seventy-seven million baby boomers are slated to retire over the next 20 years, with approximately 10,000 reaching retirement age every day, while 401k accounts have been drained by the recession, pension systems are strained and Social Security coffers are being drained of money. The median amount of 401K savings in baby boomer retirement accounts is \$120,000. This would allow for an annual withdrawal of about 4% per year (\$4,800 annually) not to exhaust savings in retirement.

Here are some worrisome facets of the looming U.S. retirement crisis:

The unplanned retirement

Americans have never excelled at retirement planning, but the economic downturn has made them even less prepared. More than 60% of workers in a recent survey said they've lost confidence in their retirement plans since 2007, according to the **Transamerica Center for Retirement Studies**. The survey also found that more than half (54%) of workers in their 60s said they haven't saved enough to sustain themselves for the rest of their life.

A recent report from the **Employee Benefit Research Institute** (EBRI) found similar results. Just 14% of those surveyed were very confident they will have enough money to live comfortably in retirement. Even more shocking? Sixty percent of workers reported that the total value of their households' savings and investments (not including the value of their homes and any official retirement benefit plans) was less than \$25,000.

The 80-year-old worker

Though 65 is considered the official retirement age in the United States (the year someone born in 1947 or earlier is eligible to receive Social Security benefits), the reality is much different. Eighty-six percent of workers in their 60s predict they will work past age 65, according to the Transamerica report. And one quarter of middle-class Americans plan to delay retirement until they are at least 80 years old (current life expectancy in the U.S. is 78), according to a Wells Fargo poll in November 2013. Essentially, 25% of Americans are planning to work until they die.

Too sick to retire

According to a recent report from Fidelity Investments, a 65-year-old couple this year would need an estimated \$240,000 to cover medical costs through retirement (and that is including traditional Medicare coverage), a 50% increase since Fidelity first did the study in 2002, and up from \$230,000 last year.

At the same time, most people have no idea how much they need to save for medical costs in old age. In a Nationwide Financial survey, boomers guessed they would need about \$5,600 a year to cover out-of-pocket costs (or about \$112,000 in total), less than half of the Fidelity Investments estimate. Many of those interviewed in the survey reported being "terrified" of what health care costs may do to their retirement plans.

A program in peril

The latest annual trustees' report for Social Security projected that the program's trust fund will be exhausted by 2033, three years earlier than last year's estimate. When the fund runs dry, the government will be able to pay only 75% of the promised benefits to retirees. Meanwhile, the Medicare trust fund will be exhausted by 2024, according to the report. The main reason for the accelerated timeline is the sluggish economy and high unemployment, causing total earnings in 2011 to be 1.6% less than expected. "Lawmakers should address the financial challenges facing Social Security and Medicare as soon as possible," the report said.

In a study prepared for the Bipartisan Policy Center in March 2012, "Demographic Challenges and Opportunities for the US Housing Market," the analysis identifies that "the sheer size of the Baby Boom generation means that a large increase in the absolute numbers of seniors facing housing affordability and independent living challenges is inevitable. Aging is likely to pose special housing challenges for renters, minorities and rural Americans." The study also acknowledged that affordability is a serious problem for seniors, especially for renters. According to a U.S. Department of Housing and Urban Development (HUD) report to Congress earlier this year, 1.33 million elderly renters (where the householder or spouse is age 62 or over, with no children under 18 present) had "worst case" housing needs in 2009. This meant that they earned

less than half of their metropolitan area's median income, received no government housing assistance and either paid more than half their income for rent, lived in severely inadequate housing, or both. Compared to 2007, the number of older renters in this category had increased by 120,000 (10 percent) – a change that the HUD report attributes to fallout from the foreclosure crisis and recession, as shrinking incomes drove increased competition for already scarce affordable housing. Fifty-six percent³ of senior renters spend at least 30% of their income on housing costs. Senior homeowners are not immune from affordability problems either: about 30% of senior homeowners spend at least 30% of their income on housing and 17% pay at least 50% of their income. Even seniors who own their houses free and clear face rising energy costs and, in some locations, rising property taxes.

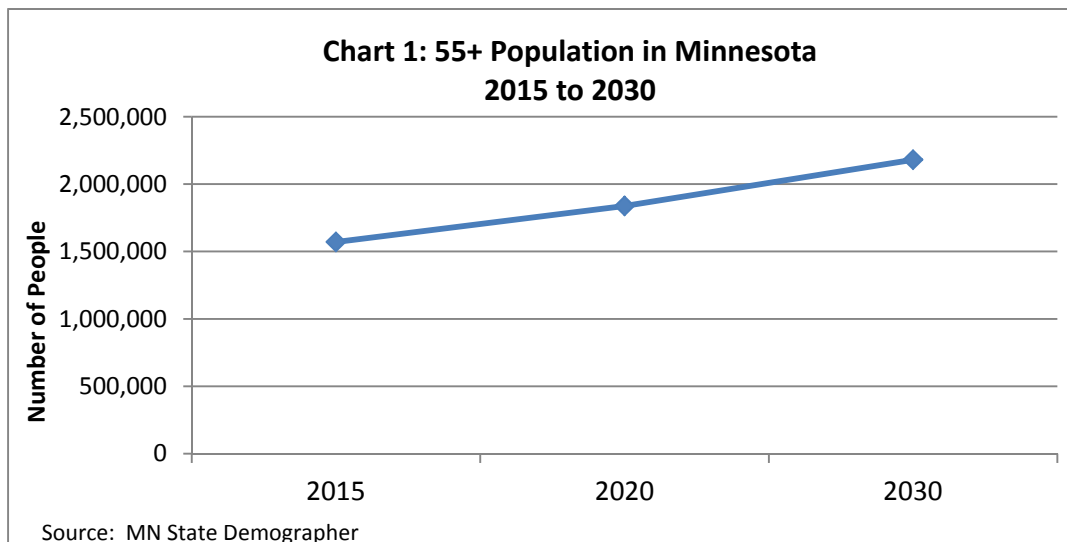
³ US Census: American Community Survey: 2013

Introduction

This section discusses the current population and household estimates for older adults and seniors in Minnesota as of 2014 with projections of this segment to 2020 and 2030 from the Minnesota State Demographer. All counties in the State of Minnesota were tabulated individually.

Total Population – Age 55+

The graph below shows the projected increase in the 55+ population in Minnesota between 2015 and 2030. Older adults in Minnesota are projected to grow from 1.57 million in 2015 to 2.18 million by 2030, an increase of 39%. The total population in Minnesota is expected to grow by 8.9% during this same period (Minnesota State Demographer). The median age of Minnesotans was 37.6 years (Census: American Community Survey-2013).



Older Adult (55+) Population and Household Estimates

Table 1 shows the projected total 55+ population by age cohort in 2015 and 2030. Table 2 shows the projected growth by age cohort in Minnesota between 2015 and 2030. The data is shown for the 7-County Metro Area, Greater Minnesota and the State.

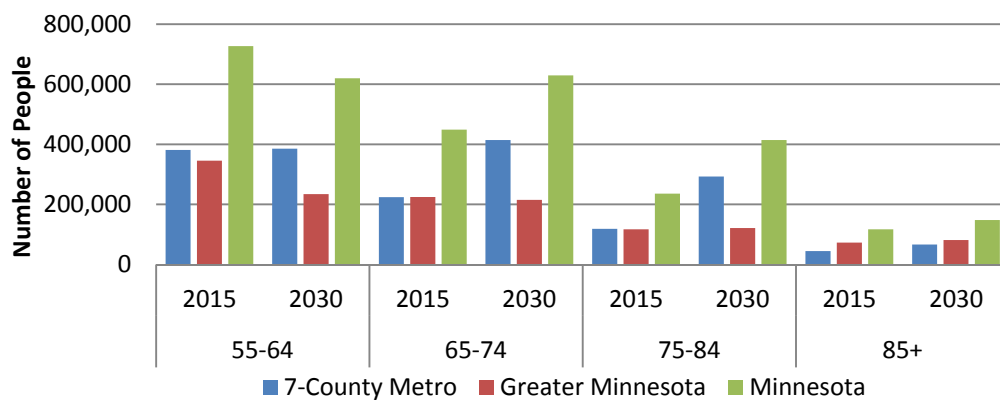
Table 1 and the accompanying chart shows the total 55+ population by age cohort in 2015 and 2030. The data shows that the 55 to 64 population will continue to move through each of the successive age cohorts from 2015 to 2030. As of 2015, there will be an estimated 726,742 people. The significant number of people in this age cohort will affect growth in each successive cohort moving forward to 2020, 2025 and 2030.

TABLE 1
TOTAL POPULATION (55+) BY AGE COHORT
2015 and 2030

	Total Population							
	55-64		65-74		75-84		85+	
	2015	2030	2015	2030	2015	2030	2015	2030
7-County Metro	381,422	385,647	224,312	414,075	118,493	292,627	44,588	66,608
Greater Minnesota	345,320	234,351	224,717	215,079	117,085	121,423	72,632	81,335
Minnesota	726,742	619,998	449,029	629,154	235,578	414,050	117,220	147,943

Source: Minnesota State Demographer

Chart 2: Total Population (55+) by Age Cohort
2015 and 2030



Source: Minnesota State Demographer

Table 2 shows the projected growth in the 55+ population between 2015 and 2030 by geographic areas including Twin Cities Metro, Greater Minnesota and Minnesota as a whole.

TABLE 2
GROWTH IN POPULATION (55+) BY AGE COHORT
2015 to 2030

	Growth in Population (2015 to 2030)		
	7-County Metro	Greater Minnesota	Minnesota
55 to 64	4,255	-110,999	-106,744
65 to 74	189,763	9,819	199,582
75 to 84	174,134	8,461	182,595
85+	22,020	9,844	31,864

Source: Minnesota State Demographer

Table 2 shows that the majority of the “growth” is expected to be concentrated in the 7-County Metro Area over the next 15 years. Greater Minnesota is expected to experience a decline in the number of people age 55 to 64 over the next 15 years as the baby boomers will be followed by the “baby bust” generation, a period of much lower births (1965 to 1980).

Table 3 shows the counties in the Twin Cities Metro Area and in Greater Minnesota with the highest number of older adults 55+ counties with more than 20,000 people. Data is for 2015 and was compiled from information published by the Minnesota State Demographer. Information for 2015 was reviewed along with total population estimates for 2013 from the State Demographer and from 2010 Census data. These counties represent some of the largest in the State. Many of these counties are in the Twin Cities Metro, but there are several counties that are in Greater Minnesota including St. Louis, Olmsted, Ottertail, Crow Wing and Stearns.

TABLE 3 Estimated Number of Older Adults 55+ Populations over 20,000 2015		
	Pop. 55+	% of Total Pop
Hennepin	307,854	25.1%
Ramsey	136,836	25.3%
Dakota	109,205	26.2%
Anoka	89,743	25.8%
Washington	70,234	27.3%
St. Louis	69,016	34.3%
Olmsted	41,469	27.0%
Stearns	40,327	26.4%
Wright	32,705	24.9%
Scott	31,421	21.8%
Ottertail	23,731	40.8%
Crow Wing	23,619	37.0%
Carver	23,432	23.6%
Total/Average	999,592	28.1%
Minnesota	1,528,569	27.8%
Source: Minnesota State Demographer		

Of those with the largest older adult populations, Ottertail’s 55+ population accounts for nearly 41% of the total population in that county. Ottertail is followed by Crow Wing County with its 55+ population accounting for 37.0% of its total population. The population in Minnesota age 55+ accounts for nearly 28% of the total population.

Table 4 shows the estimated number of older adults 55 years or older located in counties where the 55+ population accounts for 40% or more of the total population of the county. Nineteen counties in Minnesota have 55+ populations that exceed 40% of the total population. Most are located in Greater Minnesota.

TABLE 4 Estimated Number of Older Adults 55+ Populations 40% or more of Total 2015		
	Total 55+ Pop	% of Total Pop
Aitkin	8,481	52.4%
Cook	2,438	47.1%
Lac Qui Parle	3,210	46.1%
Big Stone	2,334	46.0%
Lake of the Woods	1,768	45.7%
Lake	4,765	44.5%
Murray	3,681	43.5%
Kittson	1,966	43.7%
Traverse	4,578	43.2%
Cass	12,388	42.6%
Pope	1,486	41.6%
Lincoln	2,457	41.9%
Koochiching	5,431	41.0%
Hubbard	8,824	41.8%
Faribault	5,860	41.9%
Grant	2,482	40.9%
Ottertail	23,731	40.8%
Norman	2,679	40.7%
Martin	8,205	40.3%
Total/Average	106,764	43.5%
Minnesota	1,528,569	27.8%
Source: Minnesota State Demographer		

According to the State Demographer, the number of Minnesotans that will turn 65 in this decade is greater than the number that has turned 65 in each of the past four decades. A total of 285,000 people are projected to turn 65 between 2010 and 2020.

By 2020, the number of people age 65 or older in Minnesota will eclipse the age groups 5 to 17 years (K-12 population) for the first time in Minnesota's history.

In addition, the number of older adults age 65+ is expected to double between 2010 and 2030. By 2030, one in five (or effectively 20% of the total population) Minnesotans will be age 65 years or older, including all of the baby boom generation. By comparison, the proportion of people in Minnesota age 65 years or older as of 2010 Census, compared to the total population was almost 13%. Over the next 20 years, the proportion of people 65+ in Minnesota will increase by seven percentage points.

At this time, multifamily housing programs funded by MN Housing currently serve 19,600 older adult (62+ households) in Minnesota⁴. As of 2010, Minnesota had 443,625 households age 65 years or older accounting for 21% of all households in the State.

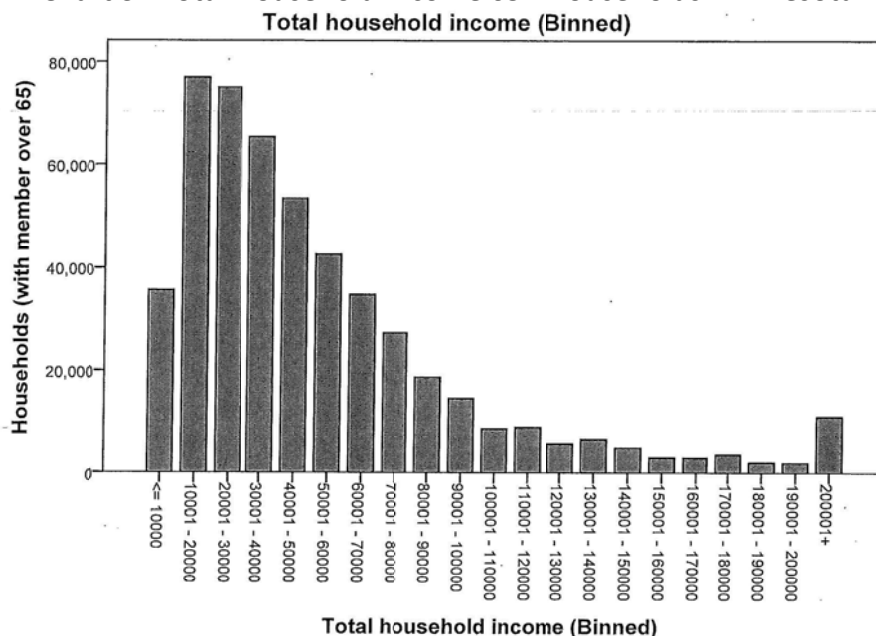
Median Incomes and Income Ranges of Older Adults in Minnesota

According to data from the US Census (American Community Survey), the median household income of seniors has changed little and remains at about \$37,400 in 2013 inflation-adjusted dollars. According to AARP, three in ten older Minnesotans age 65+ (30%) live solely on Social Security.

Some older adults can utilize the proceeds from their single-family homes to support their housing costs if they decide to relocate to age-restricted housing. If they have already sold their homes or have never owned a home, those funds may be already depleted as housing costs have increased or they may not have the resources to afford market rate housing and are residing in some type of assisted housing.

Calculating the number of 65+ households that would be living entirely on Social Security payments results in approximately 133,088 of the total number of 65+ households as of the 2010 Census which was 443,625. Social Security makes up 50% or more of the income for 61% of households age 65+ in Minnesota.⁵ Social Security has made it possible for 45% of older adults 65+ to not fall into poverty.

Chart 3: Total Household Income 65+ Households-Minnesota

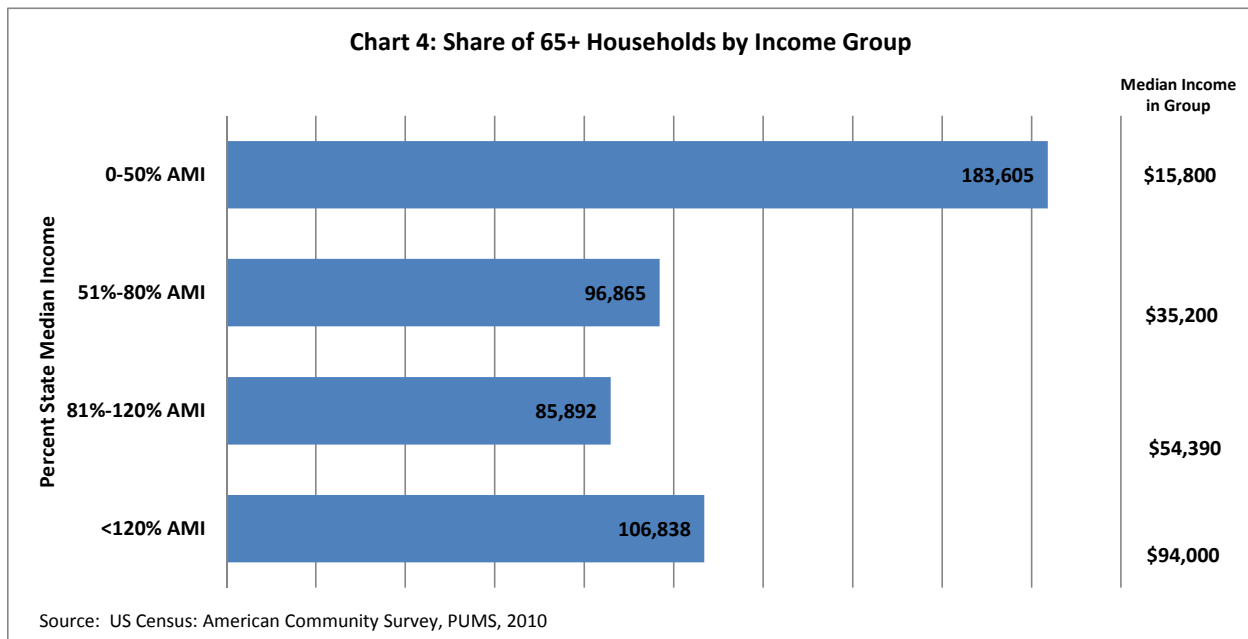


Source: ACS PUMS 2012, includes households with member age 65 and older. Does not include group quarters. Cases weighted by Household weight

⁴ MN Housing, Housing Assistance for Older Minnesotans, Fall 2012

⁵ 2011 ACS Percent of Income from SS-SPSS calculation by AARP Research for Minnesota.

As of 2012, the income range of older adult households age 65+ or older shows a definite weighting toward the lower end of the income spectrum. Most households' incomes fall between \$10,000 and \$50,000. The highest numbers of older adult households have incomes between \$10,000 and \$30,000. As shown on the chart below, 39% of households in Minnesota age 65+ have incomes of 50% or less of the state-wide AMI or 183,605 households. This level would enable most household to qualify for shallow-subsidy (50% to 60% of AMI) and deep-subsidy housing (less than 50% AMI).



Older Adult Households (65+ Housing Cost Burdens)

According to Census data, 32% of households in Minnesota age 65+ are housing cost-burdened, meaning they pay more than 30% of their income for housing (American Community Survey, 2013). A portion of older adults that need services are likely to pay more than 30% of their income on housing because of additional cares that they may need due to health issues, disabilities or frailty.

According to 2013 American Community Survey data, 100,037 households age 65+ rented their housing in Minnesota. Among those households, 54% or 54,473 households paid more than 30% of their income on housing. This compares to 47% of non-senior renter households.

In addition to 65+ renter households, there were an estimated 361,165 owner households (65+) in Minnesota as of 2013. Of these, 26% paid more than 30% of their income for housing or 90,986 households. This information shows that more than one-fourth of 65+ homeowners that are living in their own homes are considered to be cost-burdened. MN Housing data also confirms this by stating that 25% of all households age 65 or older have very low incomes and spend more than 30% of their income on housing. One-third of the poorest households over age 65 spend at least 50% of their incomes on housing. Cost burden tends to be more prominent in urban areas because of the higher cost of rental housing.

Current very low rental vacancy rates coupled with rising rents among affordable “all ages” market rate rentals makes it difficult for low and moderate income older adults to afford apartments in the general market; it also makes it difficult for older adults to find housing and housing with appropriate accessibility features which are needed by this group as it ages.

Household Tenure of Older Adults

While higher homeownership rates are generally maintained in more rural counties in the State, these higher homeownership rates often coincide with a lack of alternative housing product or age-restricted housing product available to older adults and seniors in rural communities. Because of the low level of rental housing construction and/or the lack of any new rental housing construction in many communities in Greater Minnesota, general market rate apartments are often older, located in buildings that have no elevator and/or where numerous steps are required to reach upper floor units. If seniors are currently living in a home that has a bedroom on the main floor, there is a usually a preference to remain in that home where accessibility is easier than try to relocate to housing which, while it may be affordable, has few, if any features, that target the needs of older households.

By the time older adult households reach age 65, their buying and selling habits of residences are generally in balance, selling as much as buying. However, after age 65, households selling their residences increase exponentially rising from 2% at age 65 to 6% or higher by age 80, according to a study by Myers and Ryu⁶. There is some variation in these rates when location is considered. For example, older adults are more likely to sell in colder climates or high-priced housing states, but then purchase in warmer climate states that have moderate prices. However, in most of the Central Midwest and Upper Midwest states, older adults are less likely to sell or buy between ages 65 to 69. Moving to new housing increases as households age into their 70s and beyond. With the sheer size of the baby boom generation, the number of households that would be selling their homes and either purchasing a smaller home or association-maintained unit or moving directly to rental housing will increase dramatically with the current proportions remaining the same. If however, baby boom households elect to move to rental housing sooner than did their parents (this is already happening now), then the proportion of households moving to rental will rise substantially.

According to Dr. Arthur C. Nelson, PhD, FAICP and director of the Metropolitan Research Center at the University of Utah, about 7% of households 65+ move each year and as people get older, the likelihood that they will move from owning to renting increases to 79% of those that move at age 85 or older elect to rent their housing. This data is based on an analysis completed by Dr. Nelson using data from the American Community Survey (published by the US Census Bureau).

According to the Met Life Mature Institute from their preference survey of households age 55+, 49% want to remain in their homes while 38% want to move to a new home. The Met Life Ma-

⁶ Dowell Myers and SungHo Ryu: *Aging Baby Boomers and the Generational Housing Bubble: Foresight and Mitigation of an Epic Transition*, Journal of the American Planning Association, Vol. 74 No. 1, Winter 2008

ture survey suggests that 38% of households age 55 or older desire to leave their current home for a new residence and coupled with the above research by the Metropolitan Research Center, as they do so, an increasing number of these households are expected to rent rather than own their housing.

Dr. Nelson recently completed a study for the Metropolitan Council titled “Twin Cities Metropolitan Council Area Trends, Preferences and Opportunities: 2010 to 2020, 2030 and 2040.” In this analysis, Dr. Nelson projects a shift in households tenure (owner/renter) rates with declining homeownership rates overall and fueled, in part, by the rapid aging of the population. Homeownership rates are projected to fall in Minnesota from 73% in 2010, to 70% in 2030 and 69 percent by 2040. These rates are projected to be 70%, 68% and 67% for the Metro Area, respectively. There is also expected to be a larger discrepancy between the rates for the central counties (Hennepin and Ramsey) and those of the non-central counties (remaining five counties of the Metro Area). Seniors, age 65+ are expected to account for 58% of the population change between 2010 and 2040. This will break out between 70% for the central counties and 47% for the non-central counties. According to Dr. Nelson, “the aging of existing residents will be a dominant demographic change (in the Twin Cities Metro).”⁷

Data published by MN Housing found that 4% of households age 65 to 74 moved in the last year (2010). That proportion increased to 5% of households age 75 to 84 and to 10% of households age 85+. Over 36,000 households age 65 or older moved in the past year.⁸

Table 5 shows Minnesota counties with the highest proportion of households age 55 and over that are renting their housing. Counties with proportions of 23% or higher were selected. McLeod is the highest at 46%. The proportions drop from there to 28% in Ramsey County and 27% in Carver County followed by a number of counties at 25% and 23%.

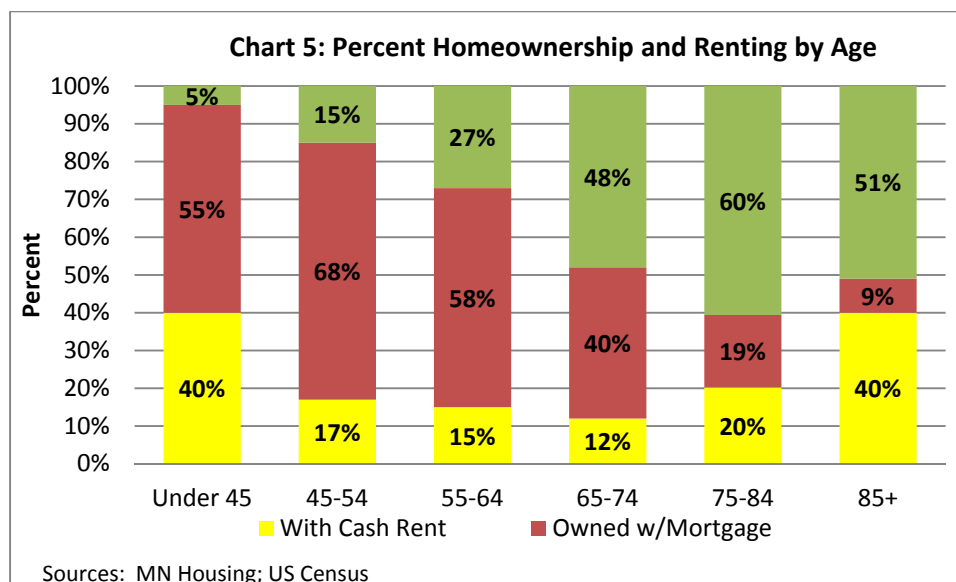
⁷ Twin Cities Metropolitan Council Area Trends, Preferences and Opportunities, 2010 to 2020, 2030 and 2040, Arthur C. Nelson, PhD, FAICP, June 10, 2014

⁸ MN Housing, Profile of Older Households in Minnesota, Summer 2012

		Proportion Renters
1	McLeod	46%
2	Ramsey	28%
3	Carver	27%
4	Hennepin	25%
5	Benton	25%
6	Chippewa	25%
7	Swift	25%
8	Lyon	25%
9	Wadena	24%
10	St. Louis	23%
11	Wilkin	23%
12	Polk	23%
13	Pennington	23%
14	Clay	23%

Source: Ribbon Demographics

The following chart shows the percent homeownership and the percent renting by older age cohort in Minnesota as a whole. This data was compiled by MN Housing from the US Census.



Introduction

This section discusses trends in the housing supply for older adults and seniors and the number of senior households that are currently being assisted Federal and State programs that are administered and/or funded by MN Housing that serve those age 55 or older or age 62 or older in Minnesota.

Housing Options for Older Adults in Minnesota

A shift in lifestyle preferences for people age 55 years or older and an increase in the availability of multifamily housing products (townhomes, condominiums, rental apartments) has encouraged a larger share of older adults and seniors to sell their single-family homes and relocate to housing that offers them more flexibility and greater convenience. For those that have never owned their housing, they are more likely to take advantage of the age-restriction allowed by the Federal government for properties targeted to older adults.

Minnesota has traditionally been and generally continues to be a high homeownership state. Over the past ten years however, the proportion of older adults 55 and over that have shifted from owning to renting has increased. For the oldest Minnesotans 85+, the percentage renting their housing has increased to 40%. This compares with 20% for households ages 75 to 84.⁹

Housing experts agree that as the older adult population increases, a higher number of older adults continues to move from their single-family homes to other higher-density options, often because these properties have features and amenities that are desired by those 55 years or older. For older adults with incomes less than 50% of AMI, their options have been severely curtailed.

Housing products available to households age 55 years or older have proliferated in Minnesota, which has been a front runner in providing housing that is not only age-restricted, but that also offers services. A high proportion of housing that is age-restricted in Minnesota is independent living with very limited or no services. Occupancy rates at these properties continue to remain high. Maxfield Research Inc. has regularly conducted occupancy and rent surveys of age-restricted independent housing and housing with services in the Twin Cities Metro Area. The findings of our surveys reveal that independent living is the most popular residential option for older adults.

⁹ MN Housing, Profile of Older Households in Minnesota, Summer 2012

Housing Programs for Older Adults

This section briefly discusses the housing programs that have been available in the past for the development of housing targeted to households age 55 or older or age 62 or older. Most of these programs are Federal programs that were implemented in the 1960s and 1970s. These programs provided federally-sponsored housing assistance to older adults that typically had extremely low incomes. The following is a list of programs that have typically served seniors:

- Project-based Section 8 and Voucher-based program
- Section 202
- Low Income Housing Tax Credit (LIHTC)
- HRA/CDA Programs

Funding availability for Section 8 and Section 202 programs has been severely curtailed by the Federal government.

Section 8/Section 202

There are few options for households that earn incomes of less than \$20,000 per year. Project-based Section 8 properties are generally full, many with waiting lists and or qualifying lists that are closed in the Metro Area. Section 8 allocations have been reduced to many counties. Those with reserves have been able to continue to assist households, but cannot assist any new households and if funding reductions continue, will have to reduce the number of households they serve, those under 65 and those age 65 or older.

HUD Section 202 funding also has been substantially reduced and is being allocated predominantly to urban census tracts that can achieve the highest priorities through the allocation process. Nevertheless, the properties that have been constructed have filled rapidly and have extensive waiting lists.

Low Income Housing Tax Credit (LIHTC)

The Low Income Housing Tax Credit Program is a federally sponsored program that is administered by individual states. LIHTC provides tax credits to private developers in order to reduce the rent levels so that they are affordable to households with moderate incomes. Typically, the rent charged is 50% to 60% of the Area Median Family Income (AMFI). Many states allow for the development of general occupancy (all ages) rental housing and housing restricted to households age 55 or older using tax credits. A number of years ago, Minnesota made the decision to focus its efforts and resources on developing affordable family housing because the need was so great.

In the early and mid-1990s, several properties were developed in Ramsey and Washington Counties under the LIHTC program which provided moderate income seniors with affordable rentals and units that were designed to accommodate older adults that may have limitations. These properties often provided attached garages and single-level living in a townhome-style of unit and were usually referred to as “cottages.” Properties that were financed through this program included: Cottage Villas (Arden Hills), Cottages of Aspen (Oakdale), Cottages of North St. Paul (North St. Paul), Cottages of Vadnais Heights (Vadnais Heights) and Cottages of White Bear Lake (White Bear Lake). Other properties that were also affordable included Eastwood Village in Oakdale, Village on Woodlyn (Maplewood) and Cottages of Cottage Grove (Cottage Grove). These properties proved extremely popular with moderate income seniors and all of these properties have remained full even though several of them have converted over entirely to market rate and are no longer restricted only to moderate income older adults.

Since the 1990s, several Metro Area Housing and Redevelopment Authorities have implemented housing development programs to target moderate income older adults and/or provide age-restricted housing to older adults by reducing the rents to make them somewhat more affordable. Dakota County operates its own program and has developed 1,543 units of age-restricted (55+) housing with another 66 units under construction in Inver Grove Heights. As of 2013, the waiting list for units in Dakota County was nearly 1,200 households. Carver County has developed three properties totaling 183 units that are age-restricted to households 55+ and Scott County has developed five properties that are age-restricted totaling 370 units. Anoka County has developed three properties totaling 149 units of age-restricted housing for older adults with reduced rents. The Washington County HRA has developed eight properties with 377 units of age-restricted housing also at reduced rents.

USDA Rural Development (Section 515)

Rural Development provides mortgage financing and housing assistance to properties under their multifamily program. Eligible communities must be located outside of the urbanized areas. In many small cities, a rural development property is the only multifamily housing in the community that offers affordable housing and in addition may offer additional assistance for households that do not meet the minimum income threshold to pay the base rent. The table in the Appendix lists the number of multifamily units funded under the Rural Development program in each County along with the number of units that have been allocated additional rent assistance. Maxfield identified 3,672 units of housing targeted to older adult households with funding through Rural Development. Of those, an estimated 2,206 units have rental assistance which would reduce the base rent to provide additional housing assistance to older adults with very low incomes.

County HRA and CDA Affordable Senior Housing Programs

Some of the larger Community Development and Housing and Redevelopment Authorities have implemented their own “affordable” development programs targeted to serve households age 55 years or older with independent housing. No services are usually provided with this housing

and households that need services must contract separately with a home care agency on their own. Dakota County recently developed one property that provides “affordable” assisted living and memory care housing to residents at Valley Ridge in Burnsville. Scott County is considering the development of assisted living housing within an affordable 55+ development that would be located in Shakopee. Peace Villa in Norwood Young America recently received financing from Rural Development to construct assisted living and memory care senior housing in that community. Construction is scheduled to begin in spring 2015 with occupancy scheduled for 2016.

Total Independent Living Affordable Units Operated by CDA/HRA targeted to households age 55 years or older:

Dakota County	1,543 units (66 units U/C)
Scott County	370 units
Carver County	183 units
Anoka County	149 units
Washington County	377 units

Additional affordable units may be available through private developers that have received funding assistance.

MN Housing Assisted Older Adult Households

MN Housing programs serve approximately 19,600 senior households (62+) per year or 3.4% of the total number of age 62+ households in the State of Minnesota (555,993 as of 2010). A total of 13,400 senior households are assisted through project-based Section 8. The remaining 6,200 senior households are served through MN Housing funded non-Section 8 rental housing.

Two out of five households over age 65 have annual incomes of less than \$28,000 (50% of the state median)¹⁰. Many seniors live on fixed incomes although there are some cost of living adjustments provided by Social Security. Housing costs continue to rise, especially for age-restricted and service-based senior housing. For seniors that receive Section 8 assistance, additional cost increases are generally absorbed by the assistance package received by the resident. For older adults in non-Section 8 housing, additional rent increases are typically paid by the resident provided that they remain under the qualifying income restrictions for tax-credit housing.

The share of householders age 62+ that are assisted by Section 8 through MN housing was prepared by county and are shown on the following pages as Figures 3 and 4. Also shown is the share of householders age 62+ that are assisted in properties financed by Minnesota Housing but are non-Section 8.

¹⁰ Profile of Older Households in Minnesota, Summer 2012

OLDER ADULT HOUSING SUPPLY

High proportions of households age 62+ are shown to be assisted in Section 8 in many of the state's rural counties in the Northwest and West Central including Kittson, Roseau, Lake of the Woods, Beltrami, Marshall, Pennington, Red Lake, Clearwater, Becker, Traverse, Lac Qui Parle, Yellow Medicine. Near the Metro Area, high proportions are assisted in Sherburne, Pine and Chisago Counties. Counties that have the lowest proportion of tenants served in Section 8 housing include Washington, Stearns, Itasca, Rice, Kandiyohi and several others in south central Minnesota.

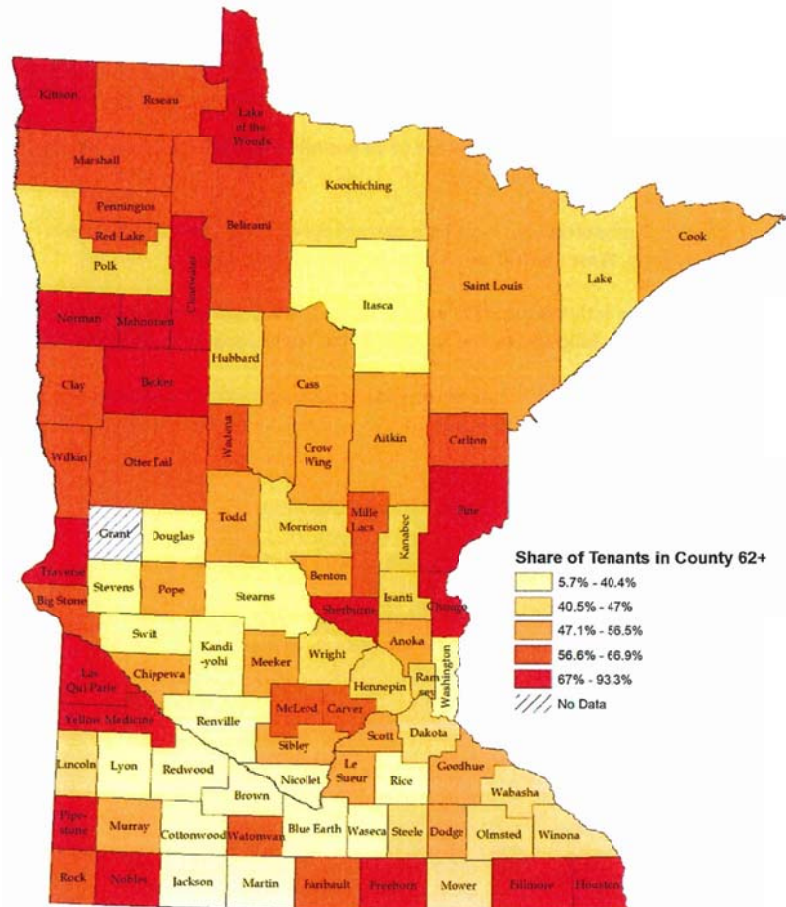
Demographic data for all Section 8 senior households show:

- A median household income in 2012 of \$12,732
- 55.3% of Section 8 senior householders were age 75 or older.

Of all households in Minnesota Housing-funded developments (non-Section 8) that reported in 2011, 14.7% were headed by a senior or an individual age 62 or older. According to MN Housing, the demographics of these seniors showed:

- A median household income of \$15,160.
- 46.8% of these 62+ households were age 75 or older.
- Ninety-seven percent of households were comprised of one or two household members, consistent with industry analysis regarding age-restricted housing for households age 62 or older.
- Properties serving a high percentage of older adult (65+) households are in the Central and Southeast regions (see Figure 4);
- The regions with the greatest number of assisted older adult (65+) households are in the Metro Region followed by the Central and Southeast regions.

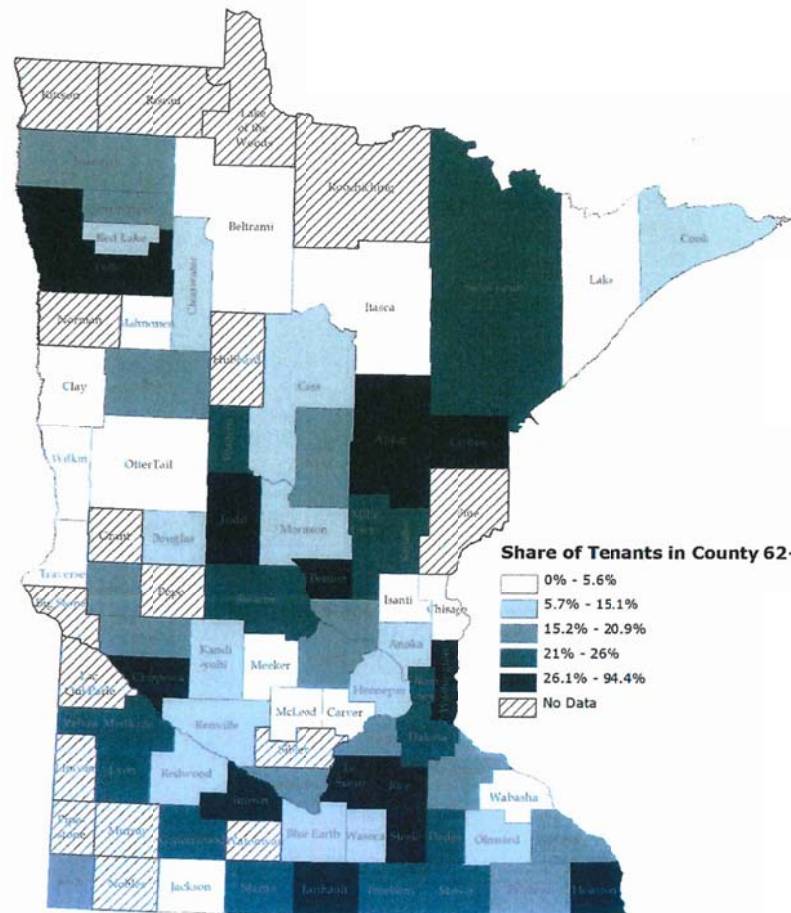
Figure 3
Share of Section 8 Householders Who are Age 62 or Older, by County



Source: Minnesota Housing Multifamily HDS
Date: 10/9/2012



Figure 4
Share of Householders in Properties Financed by Minnesota Housing (Non-Section 8) Who are
Age 62 or Older, by County



Source: Minnesota Housing Multifamily HDS
Date: 9/17/2012



Senior Housing with Services

The Minnesota Department of Human Services (MN DHS) licenses facilities that provide older adult households with care services that may be needed as a household ages. In the early 1980s, housing with services developed by the private market as an alternative to traditional board and care homes and skilled nursing facilities.

These number and type of these products expanded in Minnesota and throughout the Nation as states worked to reduce their care costs in skilled nursing facilities and provide for older adults that needed personal care and other moderate health services. Products such as congregate, assisted living and memory care facilities became more prevalent.

The private development community has invested heavily in these facilities, seeing an opportunity to serve older adults as the State has eliminated lower acuity individuals from skilled nursing facilities.

However, the costs of health care and services continue to rise. The following chart shows the average cost of care for private market facilities that provide housing and services to older adults in Minnesota and the average annual increase in the cost of these care segments over the past five years.¹¹

TABLE 6		
MINNESOTA COST OF CARE		
2014		
	Avg. Mo. Cost	Avg. Annual Increase
Homemaker Services	\$4,385	1%
Home Health Aide	\$4,910	0%
Assisted Living	\$3,403	6%
Skilled Nursing-Semi-Pvt.	\$6,939	5%
Skilled Nursing - Pvt.	\$7,378	4%
Source: Genworth 2014 Cost of Care Survey		

As shown, the average annual cost of homemaker services was \$4,385 per month with an average annual increase of 1%. Assisted living costs were an average of \$3,403 per month but have been increasing by 6% annually over the past five years.

For low-income seniors and in particular, those that do not have a home to sell, these costs can be prohibitive. The 2010 Survey of Consumer Finances an average household wealth of \$6,100, enough to provide for only about two months of care at the above level of costs.¹²

¹¹ Genworth, Care Cost Survey 2014, Minnesota.

¹² Joint Center for Housing Studies, Harvard University, Special Tabulations of the 2010 Survey of Consumer Finances.

Elderly Waiver Program

The Elderly Waiver program in Minnesota (also known as EW) funds home and community based services for individuals age 65 years or older who are eligible for Medical Assistance (MA) or Medicaid and require the level of care that would be provided in a nursing home but choose to reside in the community. The Minnesota Department of Health and Human Services operates the EW program under a federal waiver to Minnesota's Medicaid State Plan. Counties, tribal entities and health plan partners administer the program.

Services covered through EW include:

- Adult day service
- Case management
- Chore services
- Companion services
- Consumer-directed community supports
- Home health aides
- Home-delivered meals
- Homemaker services
- Licensed community residential services (customized living services / 24-hour customized living services, family and corporate foster care, residential care)
- Environmental accessibility adaptations
- Personal care
- Respite care
- Skilled nursing
- Specialized equipment and supplies
- Personal Emergency Response Systems
- Training and support for informal caregivers
- Transitional supports
- Nonmedical Transportation

Eligibility for EW is determined by the following:

- Must be age 65 or older
- Must be eligible for Medical Assistance
- Must need nursing home care as identified through a Long-Term Care Consultation process

The EW cost for care for an individual cannot exceed the nursing home care cost for that same individual. The individual elects to receive home and community-based services rather than nursing care services.

In fiscal year 2014, the EW program in Minnesota served 29,416 unduplicated clients. In 2013, the EW program served 31,727 people at a total cost of \$287.3 million. Approximately 92% of EW recipients receive their care through a managed care organization. Managed care organizations include Minnesota Senior Health Options (MSHO), an integrated Medicare/Medicaid long-term care program and Minnesota Senior Care Plus (MSC+), a Medicaid health and long-term care option.

Average monthly cost per participant was \$1,507 under a fee-for-service program and \$1,118 under a managed care program.

Alternatives to EW include Medicaid-certified skilled nursing facilities and certified board-and-care homes.

Beginning in the early 2000s, DHS has gathered local information about the current capacity and gaps in services and housing needs to support older persons in Minnesota. The primary source of the report is a survey completed by individual counties to describe their capacity for these services. In 2008 and 2012, data from the survey revealed that the number of individuals receiving Elderly Waivers for care in Minnesota among the counties that reported increased by 15.4%.

As shown previously on Table 6, the monthly average cost of care at an assisted living facility in Minnesota is \$3,403 and has risen an average of 6% annually over the past five years. Moreover, the vast majority of assisted living facilities, while licensed by the State, are private pay facilities. Private pay operators typically allow a small portion of their resident base to utilize Elderly Waivers. Our surveys of private pay assisted living facilities throughout the State have found that most range between 15% and 20% of residents utilizing Elderly Waivers. As residents spend down their assets, operators allow their existing residents to move over to Elderly Waivers and currently everyone that applies for Elderly Waiver and qualifies under the guidelines is allowed into the program.

Over the past two years, our surveys of private pay assisted living facilities have revealed that many operators will no longer accept residents with Elderly Waivers on admission to the facility. The resident must first enter as a private pay resident before transitioning over to Elderly Waiver status. Some operators have implemented a minimum of two years of private pay prior to moving over to the Elderly Waiver. Operators in the Twin Cities Metro Area have stated that the need for waived services is high and many assisted living properties have waiting lists for residents to move over to Elderly Waivers. With the projected growth in the senior population over the next 15 years, the number of people needing and qualifying for public assistance through home and community-based services is projected to increase.

In addition, moderate and low-income seniors, while they can obtain services on their own through a home care agency, the cost of those services is also increasing (see Table 6).

OLDER ADULT HOUSING SUPPLY

The Appendix provides a table that shows the number of participants for the Elderly Waiver and Alternative Care grant programs in Minnesota by county in State Fiscal Year 2014.

Housing Demand

In 2010, there were more than 180,000 older households in Minnesota (containing a person age 65 or older) with household incomes of less than \$28,000, less than half of the state median income. Of all households with incomes of less than \$28,000, the median income was \$16,000; housing costs for a household earning the median would need to be \$400 per month or less to be considered affordable.

Rental Costs in the Twin Cities Metro and in Greater Minnesota

The average cost of a studio and a one-bedroom unit in the Twin Cities Metro Area (7-County) as of 3rd Quarter 2014 was \$772 and \$884, respectively. For 65+ households that earn the median \$16,000 (of 65+ households w/incomes of 50% or less of AMI), the average monthly rent for a studio or one-bedroom unit is almost more than double the affordable rent that could be paid. At this median income, 90,000 households in Minnesota would need a monthly housing cost of \$400 or less. In considering the maximum rent that could be charged under a traditional 9% LIHTC development, we selected two examples, one in Dakota County and one in St. Louis County. The maximum monthly rent for a one-person household qualifying at 50% of the Area Median Family Income (earning no more than \$29,950 annually) would be \$778 per month for a one-bedroom unit in Dakota County. While a household could qualify from their income to reside at the property, they could not qualify to pay the rent if they earned no more than the median income of \$16,000 as that would result in the household paying 58% of their income for rent. In St. Louis County, the rent would be \$603 per month for a one-bedroom unit, with the renter paying 45% of their income for rent at a \$16,000 annual income.

Renter and Owner Households 55+ (2014)

Maxfield Research Inc. compiled information on households age 55 years or older living in one- or two-person households that either rent or own their housing. An estimate is presented as of 2014 with a 2020 projection. The data calculations of 55+ households by income and household size was compiled with the assistance of Ribbon Demographics, a private demographics firm that receives special tabulations of Census data. Ribbon Demographics information is used consistently in the tax credit industry to develop estimated of demand by household size for various income levels. Ribbon Demographics is highly regarded and testing of the data has shown it to be reasonably accurate.

In order to determine a threshold for affordable housing targeted to older adults, we considered rent levels charged for properties in the Twin Cities and in Greater Minnesota. Renter households with an income of \$30,000 and paying 30% of their income for rent would be able to afford a monthly rental payment of \$750. This is below the average for the Twin Cities at \$884 for a one-bedroom unit, but above the average that is being charged for rental units in Greater Minnesota is \$667 per month. In order to pay only 30% of income toward housing costs and be able to meet the monthly rent of \$667, a household would need an annual income of \$26,680.

OLDER ADULT AFFORDABLE HOUSING DEMAND

Table 7 below shows the number of one-person and two-person renter households in Minnesota as of 2014 with incomes of \$30,000 or less. Also shown are owner households with incomes of \$20,000 or less that could qualify to rent an affordable apartment despite having the proceeds from a home sale. The 2020 forecast adjusts the incomes upward by household size to reflect inflation to \$35,000 for renter households and \$25,000 for owner households.

Over the next five years, the proportion of age/income-qualified older adult households is projected to grow by almost 47%, while the number of assisted units targeted to seniors is anticipated to increase by only 1.2%. Beyond 2020, as the older adult population takes off in Minnesota, an increasing gap is anticipated between the number of age- and income/qualified households and the housing stock that is available to serve them.

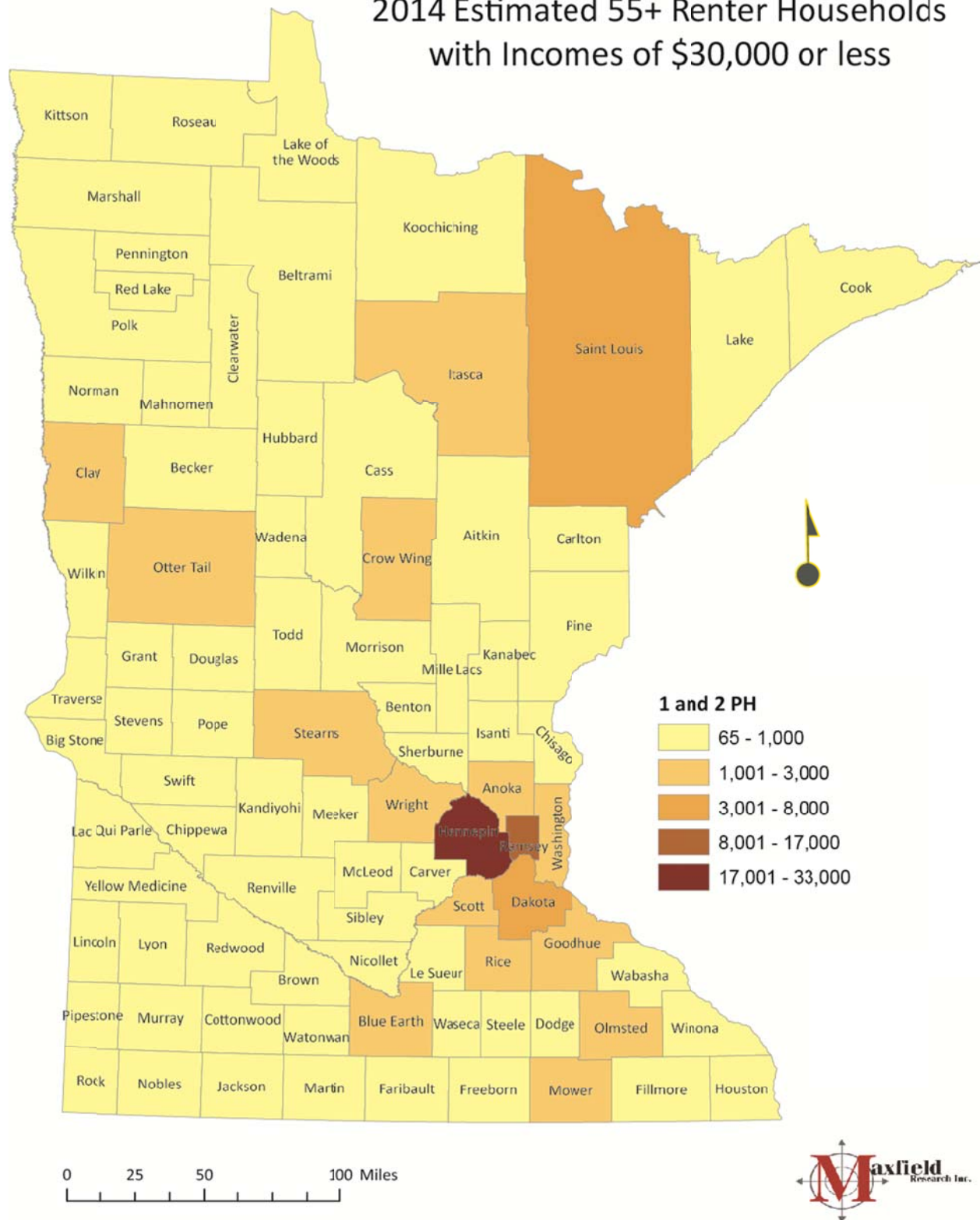
As shown, the total number of age and income-qualified older adult households (55+) in 2014 in Minnesota is estimated at 173,195. By 2020, this number is projected to increase to 243,629 households. After subtracting the estimated number of assisted housing units that would be available to these households, the potential age and income-qualified market for affordable housing would remain at 149,723 households as of 2014 rising to 219,879 households by 2020.

Using a short-term capture rate of 10% of age and income-qualified 55+ plus households results in potential demand for 15,000 affordable units in 2014, increasing to nearly 23,000 units by 2020.

If 400 units were to be built over the next five years (2015 to 2020) or 2,000 units, these units would account for 0.3% of the age- and income-qualified older adult household base in 2014 (2,000 units), decreasing to 0.9% of the age- and income-qualified older adult household base in 2020, because of the significant growth expected.

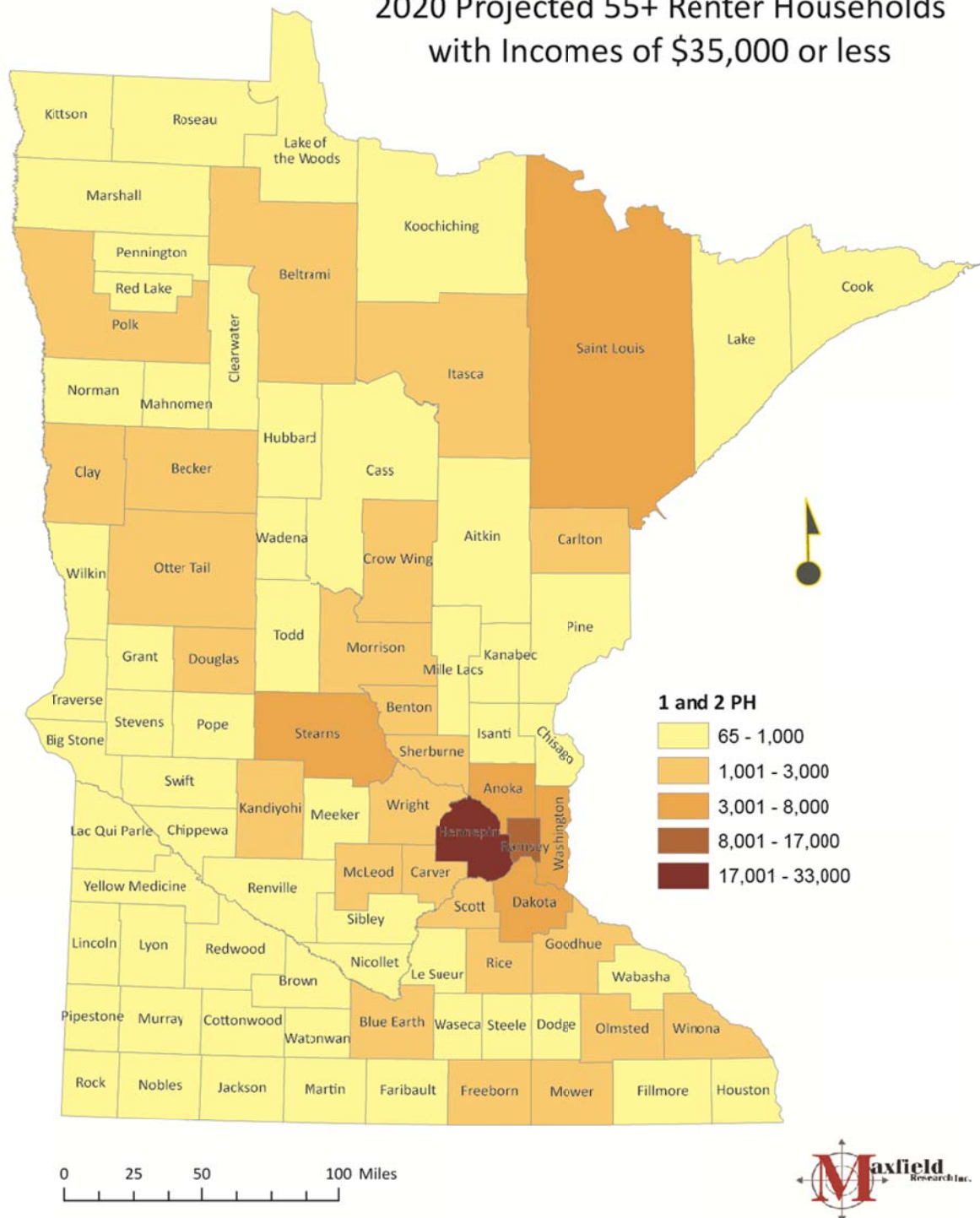
TABLE 7 TABULATION OF AGE/INCOME-QUALIFIED HOUSEHOLDS AFFORDABLE SENIOR HOUSING MINNESOTA November 2014		
	Estimate 2014	Forecast 2020
Renter Households 55+		
1 Person w/income \$30K or less	81,795	97,406
2 Person w/income \$30K or less	13,448	17,626
Owner Households 55+		
1 Person w/income of \$20K or less	50,955	78,307
2 Person w/income of \$20K or less	26,997	50,290
Number of Renter Households Assisted**		
Section 8	13,600	13,600
Non-Section 8 (MN Housing)	6,200	6,400
Rural Development	3,672	3,750
Total Renter Households Assisted (Est.)	23,472	23,750
Increase in Assisted Stock		1.2%
Total Potential Age/Income-Qualified Base	149,723	219,879
Short-Term Capture Rate (5%)	10.0%	10.0%
Total Potential Demand for Affordable Sr. Housing	14,972	21,988
Increase in Age/Income Qualified Base		46.9%
400 units per year over five years (2,000 units)	0.3%	0.9%
**Number of HHs Assisted Through Section 8 programs expected to remain stable; those assisted by MN Housing expected to increase modestly; those assisted by Rural Development expected to remain stable.; Excludes households assisted with services through Elderly Waivers or Alternative Care Grants.		
Income threshold is \$30,000 or less for renter households and \$20,000 or less for owner households 55+ (1PP and 2PP)		
Sources: MN Housing; Rural Development; Ribbon Demographics Maxfield Research Inc.		

Map 1
2014 Estimated 55+ Renter Households
with Incomes of \$30,000 or less



Map 2

2020 Projected 55+ Renter Households
with Incomes of \$35,000 or less



Older adults are living longer. Therefore, as the older adult population increases, turnover will be lower in existing facilities than previously as an increasing proportion of older adult households elects to rent and to move to age-restricted housing and then age in place until such time as they may be forced to seek services outside of an independent living arrangement. This will continue to place a heavier burden on the existing facilities and waiting lists are likely to increase rather than decrease. A portion of older adult households may elect to remain in their single-family homes, but the overall trend nationally and locally, is moving away from remaining in a single-family home toward selecting housing products that provide greater flexibility, more age-appropriate features and a higher level of safety, security and convenience.

In considering the potential development of 400 units per year over the next five years would result in a market penetration rate of the age and income-qualified demand of 0.3% as of 2014 (2,000 total units over five years) increasing to 0.9% of age and income-qualified demand after accounting for the number of households that would be assisted through project-based Section 8, households assisted through MN Housing financed programs and also through Rural Development based on an estimate of the increase in the housing supply under those programs over the next five years.

As mentioned by MN Housing, assisted units (Section 8 and non-Section 8 and homeowner programs currently assist 6.3% of the state's lower income older adult households. In addition, MN Housing programs currently assist 9.1% of the state's lower income households that are under age 65 with incomes of \$50,000 or less.

In conducting interviews with housing development authorities across Minnesota, providing affordable housing continues to be a top priority. In many communities, seniors would like to be able to relocate either from their single-family home which has become a financial and lifestyle burden or relocate from an existing general market rental unit to one that offers services and activities that coincide with that of their peer group. As they age, these age-restricted facilities are also more likely to be able to offer their residents additional services or convenient access to services that would be more difficult in their single-family homes or in a traditional apartment where the majority of the residents do not need or want them.

In conducting interviews with older adults throughout Minnesota, one of the reasons for electing to move to an age-restricted residence is the desire for increased interaction with those of their own age. Many older households live alone and isolation is often cited as a strong reason for electing to make a move.

Principal Conclusions

Based on the analysis, Maxfield Research identifies the following key conclusions:

- People age 55 years and older are projected to increase from an estimated 1.5 million in 2015 to 2.1 million by 2030, an increase of 39%. The population under age 55 is projected to increase by only 9%.
- This increase in the senior population will create significant additional demand for housing and care services;
- Households age and income-qualified for “affordable” senior housing are estimated to total 149,723 in 2014, increasing to 219,879 by 2020. Using a short-term capture rate of 10% of age and income-qualified households, we conservatively estimate demand for 14,972 units of affordable age-restricted housing in 2014 increasing to 22,988 by 2020, an increase of 54%.
- Older adults need housing with rent levels that are affordable to their incomes and increased access to services (chore and care);
 - Rental costs in the Twin Cities continue to escalate and vacancies are low;
 - The high cost of rental housing production throughout the State has severely limited the construction of independent living senior units in Greater Minnesota.
- Cost burden rates for seniors are higher than for non-seniors, and they increase as households get older. Fifty-four percent (54%) of senior renters and 26% of senior owners spend 30% or more of their income on housing versus 46% of non-senior renters and 24% of non-senior owner households. As households age, they pay a higher proportion of their income on housing. The current gap is expected to widen as the proportion of older adults increases.
- Many seniors are likely to outlive their assets or they may not be able to access those assets (selling their single-family homes) because of:
 - lack of affordable housing options,
 - lack of demand for the single-family home from younger households
 - higher levels of debt on existing homes (continued mortgage balances)
- The highest proportion of households age 65 or older have household incomes of \$10,000 to \$30,000.
- A majority of low income seniors have a disability and rent their housing.
- Housing cost burdens increase the older the household.

OLDER ADULT AFFORDABLE HOUSING DEMAND

- Affordable housing options are scarce.
- Federal funding has been cut back and further cuts are anticipated.
- Existing housing typically has long waiting lists.

From the data shown on Table 7, we conclude that based on the number of age and income-qualified households and the projected growth in households in Minnesota to 2020 and by 2030, that additional affordable senior housing is greatly needed in the Twin Cities Metro Area and in Greater Minnesota to serve older adult households with low and moderate incomes that desire a safe and secure living arrangement and a residential environment that will provide them with the features that they need to be able to live as independently as they are able with their peers.

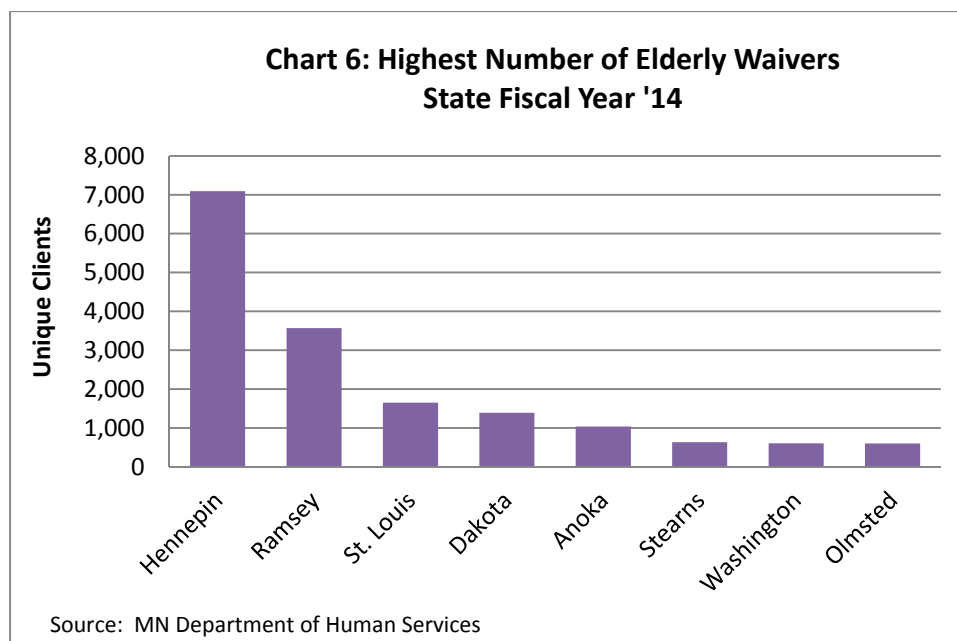
At a minimum, with the projected increase in the number of age and income-qualified households by 2020 of nearly 41% and a projected limited increase in the assisted housing stock for these households, that at least 400 units per year for the next five years could be supported, spread across the State in Metro Area and Greater Minnesota counties. The need is somewhat greater in the Twin Cities Metro Area because of the rapid rise in rental rates and very low vacancies, but numerous communities in Greater Minnesota have little to no housing that is available for older adults, causing many of these households to remain in their single-family homes due to lack of suitable product. Those most difficult to serve are older adult households in the middle, those who cannot afford the high cost of private pay market rate senior housing, but do not income-qualify for Section 8 or are unable to obtain affordable age-restricted housing because the properties are full.

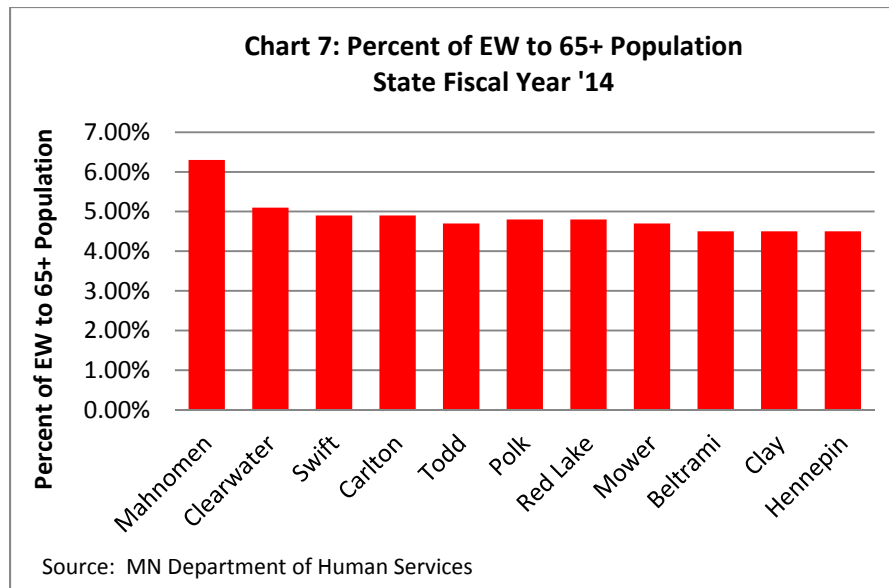
Addendum: Elderly Waivers and Alternative Care Grants

As older adult households age, they may need more health and personal care services. Minnesota provides care for older adults (65+) that are eligible for Medical Assistance (MA). Increasingly, private market health care providers are limiting the number of residents they accept in their facilities that utilize these programs. Reimbursement rates for these programs do not typically cover the costs of care and providers must balance the care they provide to low-income households with the costs of care for private pay residents.

An increasing number of market rate senior facilities that provide services will no longer accept any household on entry that has EW or ACG. The resident must enter first as private pay and then spend down their assets. Most facilities have a cap of between 15% and 20% of residents that are allowed to utilize EW. At many Metro Area senior housing facilities, there are waiting lists to be able to utilize EW. Seniors currently residing in Section 8 housing or in other assisted housing are often utilizing outside agencies to deliver services to them, exclusive of their residence. Public housing authorities and local HRAs and CDAs are seeing their older residents age in place and are concerned as to how these older residents will be able to access the services they need. Residents do not want to relocate and even if they did, their incomes would inhibit their ability to obtain services at a typical private pay facility.

The following charts show the counties in Minnesota with the highest number of Elderly Waiver recipients and the counties with the highest proportion of the population age 65+ receiving Elderly Waivers.





APPENDIX

MINNESOTA ESTIMATED OLDER ADULT POPULATIONS

87 Counties

County	55+ 2015 Pop	55+ 2020 Pop	55+ 2030 Pop
Aitkin	8,481	8,958	7,991
Anoka	89,743	112,756	143,248
Becker	12,351	13,767	14,552
Beltrami	13,003	14,892	16,496
Benton	10,178	12,080	15,287
Big Stone	2,334	2,454	2,340
Blue Earth	15,825	17,815	20,782
Brown	9,434	10,335	10,888
Carlton	12,031	13,777	15,553
Carver	23,432	31,090	42,546
Cass	12,388	13,535	13,187
Chippewa	4,574	4,949	5,183
Chisago	16,276	20,479	25,913
Clay	15,368	17,527	20,520
Clearwater	3,267	3,629	3,758
Cook	2,438	2,681	2,703
Cottonwood	4,459	4,703	4,800
Crow Wing	23,619	26,340	27,444
Dakota	109,205	135,770	172,678
Dodge	5,741	6,877	8,496
Douglas	13,828	15,278	15,745
Faribault	5,860	6,256	6,279
Fillmore	7,729	8,469	8,661
Freeborn	11,713	12,733	13,259
Goodhue	16,193	18,622	20,838
Grant	2,482	2,680	2,666
Hennepin	307,854	360,399	444,755
Houston	7,132	7,989	8,615
Hubbard	8,824	9,745	9,625
Isanti	11,403	14,186	17,135
Itasca	18,431	20,163	20,821
Jackson	3,815	4,140	4,354
Kanabec	6,024	6,932	7,502
Kandiyohi	14,040	15,524	17,079
Kittson	1,966	2,076	2,089
Koochiching	5,431	5,924	6,124
Lac qui Parle	3,210	3,390	3,314
Lake	4,765	5,176	5,136
Lake of the Woods	1,768	1,969	1,978
Le Sueur	9,236	10,776	12,371
Lincoln	2,457	2,543	2,527
Lyon	7,158	8,181	9,319

MINNESOTA ESTIMATED OLDER ADULT POPULATIONS

87 Counties (continued)	55+ 2015 Pop	55+ 2020 Pop	55+ 2030 Pop
McLeod	11,554	13,421	15,536
Mahnomen	1,810	1,993	2,083
Marshall	3,474	3,838	4,064
Martin	8,205	8,729	9,102
Meeker	8,215	9,302	10,128
Mille Lacs	8,878	10,289	11,546
Morrison	11,333	12,940	14,249
Mower	12,676	13,813	15,318
Murray	3,681	3,892	3,903
Nicollet	8,956	10,383	11,838
Nobles	6,165	6,844	7,712
Norman	2,679	2,914	3,002
Olmsted	41,469	49,156	58,577
Otter Tail	23,731	25,933	26,066
Pennington	4,659	5,193	5,788
Pine	10,652	12,167	13,068
Pipestone	3,487	3,787	4,038
Polk	10,822	11,996	12,911
Pope	4,578	4,931	5,051
Ramsey	136,836	156,028	185,086
Red Lake	1,487	1,656	1,740
Redwood	5,875	6,387	6,552
Renville	5,867	6,408	6,876
Rice	17,783	20,812	24,427
Rock	3,531	3,846	4,094
Roseau	4,761	5,669	6,607
St. Louis	69,016	76,429	82,032
Scott	31,481	42,097	61,186
Sherburne	21,498	28,131	38,985
Sibley	4,988	5,688	6,436
Stearns	40,327	46,979	55,249
Steele	11,302	13,145	15,420
Stevens	2,951	3,139	3,282
Swift	3,502	3,760	4,018
Todd	8,868	10,032	10,660
Traverse	1,486	1,524	1,492
Wabasha	7,814	8,852	9,719
Wadena	5,387	5,795	5,960
Waseca	6,036	6,749	7,522
Washington	70,234	87,205	110,058
Watsonwan	3,905	4,276	4,489
Wilkin	2,402	2,737	2,979
Winona	14,711	16,340	18,146
Wright	32,705	41,339	55,442
Yellow Medicine	3,891	4,201	4,408
Total	1,571,134	1,838,310	2,181,402
Minnesota Projections	5,497,933	5,677,852	5,982,601
% of Total	28.6%	32.4%	36.5%

PROPORTION OF RENTER AND OWNER HOUSEHOLDS MINNESOTA COUNTIES		
County	2014 % Rent 55+	2014 % Own 55+
Aitkin	0.13	0.87
Anoka	0.16	0.84
Becker	0.18	0.82
Beltrami	0.22	0.78
Benton	0.25	0.75
Big Stone	0.21	0.79
Blue Earth	0.21	0.79
Brown	0.22	0.78
Carlton	0.20	0.80
Carver	0.27	0.73
Cass	0.11	0.89
Chippewa	0.25	0.75
Chisago	0.16	0.84
Clay	0.23	0.77
Clearwater	0.18	0.82
Cook	0.13	0.87
Cottonwood	0.17	0.83
Crow Wing	0.18	0.82
Dakota	0.19	0.81
Dodge	0.19	0.81
Douglas	0.18	0.82
Faribault	0.19	0.81
Fillmore	0.18	0.82
Freeborn	0.19	0.81
Goodhue	0.18	0.82
Grant	0.19	0.81
Hennepin	0.25	0.75
Houston	0.13	0.87
Hubbard	0.16	0.84
Isanti	0.15	0.85
Itasca	0.17	0.83
Jackson	0.17	0.83
Kanabec	0.18	0.82
Kandiyohi	0.20	0.80
Kittson	0.17	0.83
Koochiching	0.21	0.79
Lac qui Parle	0.18	0.82
Lake	0.16	0.84
Lake of the Woods	0.14	0.86
Le Sueur	0.12	0.88
Lincoln	0.18	0.82
Lyon	0.25	0.75

PROPORTION OF RENTER AND OWNER HOUSEHOLDS		
MINNESOTA COUNTIES		
87 Counties	2014	2014
(continued)	% Rent	% Own
County	55+	55+
McLeod	0.46	0.54
Mahnomen	0.20	0.80
Marshall	0.18	0.82
Martin	0.22	0.78
Meeker	0.16	0.84
Mille Lacs	0.22	0.78
Morrison	0.18	0.82
Mower	0.21	0.79
Murray	0.13	0.87
Nicollet	0.21	0.79
Nobles	0.17	0.83
Norman	0.18	0.82
Olmsted	0.18	0.82
Otter Tail	0.20	0.80
Pennington	0.23	0.77
Pine	0.17	0.83
Pipestone	0.21	0.79
Polk	0.23	0.77
Pope	0.22	0.78
Ramsey	0.28	0.72
Red Lake	0.14	0.86
Redwood	0.21	0.79
Renville	0.19	0.81
Rice	0.20	0.80
Rock	0.19	0.81
Roseau	0.18	0.82
St. Louis	0.23	0.77
Scott	0.18	0.82
Sherburne	0.16	0.84
Sibley	0.15	0.85
Stearns	0.22	0.78
Steele	0.19	0.81
Stevens	0.18	0.82
Swift	0.25	0.75
Todd	0.17	0.83
Traverse	0.18	0.82
Wabasha	0.15	0.85
Wadena	0.24	0.76
Waseca	0.20	0.80
Washington	0.17	0.83
Watsonwan	0.21	0.79
Wilkin	0.23	0.77
Winona	0.16	0.84
Wright	0.16	0.84
Yellow Medicine	0.16	0.84
Source: Ribbon Demographics		

NUMBER OF 55+ RENTER HOUSEHOLDS W/INCOMES OF \$30,000 OR LESS 1pp and 2pp Households 2014	
County	55+ Renter HH's (1pp/2pp) w/incomes \$30K or less
Aitkin	384
Anoka	1,060
Becker	816
Beltrami	890
Benton	878
Big Stone	173
Blue Earth	1,072
Brown	738
Carlton	784
Carver	908
Cass	478
Chippewa	413
Chisago	538
Clay	1,040
Clearwater	258
Cook	97
Cottonwood	280
Crow Wing	1,552
Dakota	4,680
Dodge	310
Douglas	914
Faribault	428
Fillmore	506
Freeborn	802
Goodhue	1,008
Grant	191
Hennepin	23,397
Houston	409
Hubbard	502
Isanti	545
Itasca	1,183
Jackson	210
Kanabec	358
Kandiyohi	827
Kittson	142
Koochiching	487
Lac qui Parle	189
Lake	229
Lake of the Woods	65
Le Sueur	361
Lincoln	178
Lyon	635

NUMBER OF 55+ RENTER HOUSEHOLDS W/INCOMES OF \$30,000 OR LESS 1pp and 2pp Households 2014 (continued)	
County	55+ Renter HH's (1pp/2pp) w/incomes \$30K or less
McLeod	586
Mahnomen	130
Marshall	228
Martin	646
Meeker	500
Mille Lacs	656
Morrison	811
Mower	1,045
Murray	118
Nicollet	495
Nobles	346
Norman	190
Olmsted	1,879
Otter Tail	1,685
Pennington	405
Pine	623
Pipestone	253
Polk	804
Pope	394
Ramsey	11,624
Red Lake	90
Redwood	418
Renville	341
Rice	1,040
Rock	247
Roseau	341
St. Louis	5,871
Scott	1,239
Sherburne	954
Sibley	265
Stearns	1,808
Steele	585
Stevens	192
Swift	316
Todd	605
Traverse	109
Wabasha	444
Wadena	586
Waseca	356
Washington	2,350
Watonwan	276
Wilkin	148
Winona	791
Wright	1,328
Yellow Medicine	210
Total	95,243
Source: Ribbon Demographics	

NUMBER OF 55+ RENTER HOUSEHOLDS W/INCOMES OF \$35,000 OR LESS 1pp and 2pp Households 2020	
County	55+ Renter HH's (1pp/2pp) w/incomes \$35K or less
Aitkin	528
Anoka	5,560
Becker	1,132
Beltrami	1,311
Benton	1,248
Big Stone	214
Blue Earth	1,520
Brown	953
Carlton	1,064
Carver	1,000
Cass	659
Chippewa	577
Chisago	856
Clay	1,428
Clearwater	224
Cook	171
Cottonwood	376
Crow Wing	2,030
Dakota	7,046
Dodge	389
Douglas	1,227
Faribault	543
Fillmore	691
Freeborn	1,047
Goodhue	1,430
Grant	235
Hennepin	32,229
Houston	527
Hubbard	724
Isanti	851
Itasca	1,530
Jackson	366
Kanabec	518
Kandiyohi	1,200
Kittson	176
Koochiching	644
Lac qui Parle	278
Lake	339
Lake of the Woods	93
Le Sueur	545
Lincoln	232
Lyon	853

NUMBER OF 55+ RENTER HOUSEHOLDS W/INCOMES OF \$35,000 OR LESS 1pp and 2pp Households 2014 (continued)	
County	55+ Renter HH's (1pp/2pp) w/incomes \$35K or less
McLeod	1,167
Mahnomen	173
Marshall	320
Martin	864
Meeker	716
Mille Lacs	862
Morrison	1,025
Mower	1,395
Murray	184
Nicollet	777
Nobles	477
Norman	275
Olmsted	2,623
Otter Tail	2,112
Pennington	580
Pine	846
Pipestone	341
Polk	1,075
Pope	530
Ramsey	16,221
Red Lake	120
Redwood	562
Renville	479
Rice	1,454
Rock	321
Roseau	467
St. Louis	7,369
Scott	1,547
Sherburne	1,297
Sibley	391
Stearns	3,632
Steele	845
Stevens	254
Swift	458
Todd	726
Traverse	122
Wabasha	594
Wadena	665
Waseca	582
Washington	3,482
Watonwan	478
Wilkin	226
Winona	1,111
Wright	1,902
Yellow Medicine	278
Total	136,491
Source: Ribbon Demographics	

MEDIAN HOUSEHOLD INCOMES BY OLDER ADULT AGE COHORT MINNESOTA COUNTIES			
	2014 Med. Inc. 55-64	2014 Med. Inc. 65-74	2014 Med. Inc. 75+
County			
Aitkin	\$44,620	\$37,851	\$26,333
Anoka	\$75,869	\$54,825	\$35,901
Becker	\$52,237	\$40,046	\$26,579
Beltrami	\$43,884	\$37,921	\$24,709
Benton	\$55,358	\$39,707	\$27,192
Big Stone	\$39,855	\$34,335	\$22,145
Blue Earth	\$58,746	\$47,022	\$30,761
Brown	\$54,254	\$39,709	\$26,382
Carlton	\$57,074	\$42,765	\$27,213
Carver	\$96,786	\$69,183	\$40,668
Cass	\$46,946	\$40,246	\$29,067
Chippewa	\$55,104	\$40,524	\$27,419
Chisago	\$69,488	\$53,497	\$32,807
Clay	\$59,191	\$45,862	\$28,140
Clearwater	\$47,407	\$34,752	\$22,561
Cook	\$47,923	\$48,636	\$29,352
Cottonwood	\$52,549	\$40,397	\$26,121
Crow Wing	\$52,927	\$43,625	\$29,865
Dakota	\$85,903	\$61,175	\$38,963
Dodge	\$72,920	\$49,763	\$36,369
Douglas	\$59,152	\$50,089	\$29,637
Faribault	\$52,474	\$40,493	\$25,885
Fillmore	\$53,411	\$39,759	\$26,061
Freeborn	\$51,425	\$39,872	\$27,303
Goodhue	\$69,901	\$51,754	\$30,238
Grant	\$54,525	\$37,412	\$26,783
Hennepin	\$79,674	\$56,975	\$37,448
Houston	\$61,438	\$48,944	\$29,037
Hubbard	\$50,200	\$43,031	\$27,519
Isanti	\$64,103	\$46,337	\$31,485
Itasca	\$54,766	\$42,197	\$26,264
Jackson	\$57,963	\$49,101	\$29,488
Kanabec	\$46,722	\$38,865	\$25,320
Kandiyohi	\$60,443	\$45,999	\$29,109
Kittson	\$53,762	\$38,059	\$24,440
Koochiching	\$52,220	\$36,727	\$23,578
Lac qui Parle	\$54,235	\$38,219	\$27,087
Lake	\$58,086	\$45,391	\$28,358
Lake of the Woods	\$46,361	\$33,712	\$25,392
Le Sueur	\$64,296	\$46,837	\$30,182
Lincoln	\$46,913	\$38,899	\$27,676
Lyon	\$59,048	\$46,526	\$27,990

MEDIAN HOUSEHOLD INCOMES BY OLDER ADULT AGE COHORT			
MINNESOTA COUNTIES			
87 Counties	2014	2014	2014
(continued)	Med. Inc.	Med. Inc.	Med. Inc.
County	55-64	65-74	75+
McLeod	\$37,787	\$33,053	\$23,166
Mahnomen	\$58,907	\$44,528	\$27,071
Marshall	\$54,601	\$45,123	\$28,799
Martin	\$63,711	\$47,325	\$29,840
Meeker	\$60,168	\$42,815	\$27,137
Mille Lacs	\$45,850	\$36,902	\$24,880
Morrison	\$50,791	\$38,251	\$23,397
Mower	\$55,260	\$40,851	\$27,420
Murray	\$60,069	\$45,103	\$29,750
Nicollet	\$68,596	\$54,046	\$32,149
Nobles	\$55,479	\$45,644	\$27,079
Norman	\$51,732	\$39,077	\$25,357
Olmsted	\$79,889	\$55,588	\$36,059
Otter Tail	\$52,022	\$42,234	\$27,186
Pennington	\$51,154	\$35,259	\$22,069
Pine	\$47,775	\$36,967	\$25,508
Pipestone	\$52,570	\$40,645	\$25,446
Polk	\$55,423	\$43,768	\$26,947
Pope	\$51,486	\$42,493	\$26,964
Ramsey	\$63,079	\$48,282	\$32,886
Red Lake	\$49,128	\$33,818	\$23,143
Redwood	\$58,206	\$42,803	\$28,231
Renville	\$57,915	\$43,965	\$28,425
Rice	\$66,800	\$52,586	\$34,759
Rock	\$51,366	\$39,916	\$26,796
Roseau	\$51,803	\$39,694	\$26,025
St. Louis	\$91,322	\$66,725	\$41,043
Scott	\$75,841	\$58,741	\$37,962
Sherburne	\$56,905	\$36,758	\$25,134
Sibley	\$52,643	\$40,647	\$27,731
Stearns	\$61,269	\$43,516	\$29,691
Steele	\$61,468	\$47,145	\$29,201
Stevens	\$56,745	\$45,374	\$27,111
Swift	\$52,763	\$40,036	\$26,132
Todd	\$47,628	\$37,574	\$25,067
Traverse	\$52,824	\$36,657	\$25,829
Wabasha	\$61,478	\$44,547	\$30,003
Wadena	\$41,976	\$35,280	\$22,249
Waseca	\$59,824	\$45,192	\$27,707
Washington	\$92,326	\$66,656	\$41,464
Watsonwan	\$52,709	\$40,098	\$26,221
Wilkin	\$54,974	\$44,789	\$29,109
Winona	\$54,308	\$41,916	\$27,418
Wright	\$75,794	\$56,815	\$36,281
Yellow Medicine	\$54,358	\$41,986	\$27,072
Source: Ribbon Demographics			

COUNTIES WITH THE LOWEST MEDIAN HOUSEHOLD INCOMES (55-64), 2014, Less than \$50,000

1	Aitkin
2	Beltrami
3	Big Stone
4	Cass
5	Clearwater
6	Cook
7	Kanebec
8	Lake of the Woods
9	Lincoln
10	McCleod
11	Mille Lacs
12	Pine
13	Red Lake
14	Todd
15	Wadena

COUNTIES WITH THE LOWEST MEDIAN HOUSEHOLD INCOMES (65-74), 2014 Less than \$35,000

1	Big Stone
2	Clearwater
3	Lake of the Woods
4	McCleod
5	Red Lake

COUNTIES WITH THE LOWEST MEDIAN HOUSEHOLD INCOMES (75+), 2014 Less than \$25,000

1	Beltrami
2	Big Stone
3	Clearwater
4	Kittson
5	Koochiching
6	McCleod
7	Mille Lacs
8	Morrison
9	Pennington
10	Red Lake
11	Wadena

Source: Ribbon Demographics

COUNTIES WITH MEDIAN HOME SALES PRICE OF LESS THAN \$100,000 (2014)

- 1 Big Stone
- 2 Chippewa
- 3 Cottonwood
- 4 Faribault
- 5 Fillmore
- 6 Freeborn
- 7 Grant
- 8 Jackson
- 9 Kittson
- 10 Koochiching
- 11 Lac Qui Parle
- 12 Lincoln
- 13 Mahnomen
- 14 Marshall
- 15 Martin
- 16 Mower
- 17 Murray
- 18 Norman
- 19 Pipestone
- 20 Red Lake
- 21 Redwood
- 22 Renville
- 23 Rock
- 24 Roseau
- 25 Sibley
- 26 Stevens
- 27 Swift
- 28 Todd
- 29 Traverse
- 30 Watonwan
- 31 Yellow Medicine

Source: ESRI Inc.; Minneapolis Area Association of Realtors

APPENDIX ELDERLY RENTAL-RURAL DEVELOPMENT November 2014		
County	# of Units	
	Elderly	Rent/Ass.
Aitkin	16	13
Anoka	21	17
Becker	96	67
Beltrami	51	49
Benton	33	25
Big Stone	40	19
Blue Earth	0	0
Brown	28	19
Carlton	41	27
Carver	145	92
Cass	8	7
Chippewa	32	25
Chisago	145	98
Clay	28	10
Clearwater	8	8
Cook	16	9
Cottonwood	0	0
Crow Wing	181	96
Dakota	37	24
Dodge	43	23
Douglas	65	31
Faribault	0	0
Fillmore	67	37
Freeborn	0	0
Goodhue	87	45
Grant	0	0
Hennepin	25	12
Houston	23	19
Hubbard	0	0
Isanti	60	30
Itasca	206	46
Jackson	0	0
Kanabec	24	8
Kandiyohi	50	22
Kittson	15	20
Koochiching	72	12
Lac qui Parle	0	0
Lake	0	0
Lake of the Woods	0	0
Le Sueur	7	3
Lincoln	8	4
Lyon	63	51

APPENDIX ELDERLY RENTAL-RURAL DEVELOPMENT November 2014 (continued)		
County	# of Units	
	Elderly	Rent/Ass.
McLeod	79	52
Mahnomen	22	11
Marshall	0	0
Martin	34	24
Meeker	8	0
Mille Lacs	134	105
Morrison	59	47
Mower	11	8
Murray	0	0
Nicollet	12	7
Nobles	47	33
Norman	0	0
Olmsted	51	43
Otter Tail	119	77
Pennington	58	38
Pine	108	69
Pipestone	0	0
Polk	0	0
Pope	37	28
Ramsey	0	0
Red Lake	0	0
Redwood	0	0
Renville	0	0
Rice	126	73
Rock	0	0
Roseau	0	0
St. Louis	39	9
Scott	82	57
Sherburne	60	52
Sibley	0	0
Stearns	181	115
Steele	49	10
Stevens	13	4
Swift	0	0
Todd	50	18
Traverse	12	5
Wabasha	76	48
Wadena	21	18
Waseca	0	0
Washington	0	0
Watsonwan	24	17
Wilkin	0	0
Winona	16	5
Wright	393	265
Yellow Medicine	10	0
Total Units	3,672	2,206
Source: MN Rural Development		

ELDERLY WAIVER RECIPIENTS BY COUNTY FOR MINNESOTA STATE FISCAL YEAR 2014		
County	Number	Unique Clients
AITKIN	1	148
ANOKA	2	1,037
BECKER	3	259
BELTRAMI	4	329
BENTON	5	215
BIG STONE	6	55
BLUE EARTH	7	309
BROWN	8	134
CARLTON	9	331
CARVER	10	238
CASS	11	163
CHIPPEWA	12	86
CHISAGO	13	199
CLAY	14	368
CLEARWATER	15	101
COOK	16	20
COTTONWOOD	17	81
CROW WING	18	413
DAKOTA	19	1,389
DODGE	20	106
DOUGLAS	21	265
FARIBAULT	22	69
FILLMORE	23	179
FREEBORN	24	144
GOODHUE	25	235
GRANT	26	45
HENNEPIN	27	7,095
HOUSTON	28	98
HUBBARD	29	153
ISANTI	30	147
ITASCA	31	420
JACKSON	32	62
KANABEC	33	104
KANDIYOHI	34	195
KITSON	35	37
KOOCHICHING	36	52
LAC QUI PARLE	37	68
LAKE	38	81
LAKE OF THE WOODS	39	19
LE SUEUR	40	165
LINCOLN	41	39
LYON	42	174

ELDERLY WAIVER RECIPIENTS		
BY COUNTY FOR MINNESOTA		
STATE FISCAL YEAR 2014		
(continued)		
County	Number	Unique Clients
MCLEOD	43	191
MAHNOMEN	44	69
MARSHALL	45	89
MARTIN	46	161
MEEKER	47	167
MILLE LACS	48	152
MORRISON	49	283
MOWER	50	363
MURRAY	51	58
NICOLLET	52	171
NOBLES	53	107
NORMAN	54	60
OLMSTED	55	599
OTTER TAIL	56	419
PENNINGTON	57	115
PINE	58	231
PIPESTONE	59	63
POLK	60	300
POPE	61	94
RAMSEY	62	3,569
RED LAKE	63	40
REDWOOD	64	66
RENVILLE	65	60
RICE	66	326
ROCK	67	46
ROSEAU	68	100
ST. LOUIS	69	1,648
SCOTT	70	342
SHERBURNE	71	257
SIBLEY	72	127
STEARNS	73	635
STEELE	74	255
STEVENS	75	60
SWIFT	76	104
TODD	77	238
TRAVERSE	78	27
WABASHA	79	97
WADENA	80	132
WASECA	81	107
WASHINGTON	82	606
WATONWAN	83	66
WILKIN	84	53
WINONA	85	297
WRIGHT	86	449
YELLOW MEDICINE	87	75
White Earth	0B2	115
Total		29,416
Note: Total Unduplicated count for EW for SFY 2014 is 29,205 The client count for the table is slightly higher as some clients resided in more than one county.		
Source: MN Department of Health and Human Services		

ALTERNATIVE CARE GRANT RECIPIENTS BY COUNTY FOR MINNESOTA STATE FISCAL YEAR 2014		
Name	County	Unique Clients
AITKIN	1	7
ANOKA	2	256
BECKER	3	19
BELTRAMI	4	50
BENTON	5	15
BIG STONE	6	23
BLUE EARTH	7	30
BROWN	8	8
CARLTON	9	38
CARVER	10	68
CASS	11	30
CHIPPEWA	12	22
CHISAGO	13	56
CLAY	14	36
CLEARWATER	15	5
COOK	16	3
COTTONWOOD	17	7
CROW WING	18	53
DAKOTA	19	463
DODGE	20	12
DOUGLAS	21	12
FARIBAULT	22	6
FILLMORE	23	15
FREEBORN	24	56
GOODHUE	25	58
GRANT	26	7
HENNEPIN	27	567
HOUSTON	28	12
HUBBARD	29	30
ISANTI	30	35
ITASCA	31	59
JACKSON	32	2
KANABEC	33	18
KANDIYOHI	34	18
KITSON	35	7
KOOCHICHING	36	3
LAC QUI PARLE	37	13
LAKE	38	23
LAKE OF THE WOODS	39	9
LE SUEUR	40	13
LINCOLN	41	11
LYON	42	15

ALTERNATIVE CARE GRANT RECIPIENTS		
BY COUNTY FOR MINNESOTA		
STATE FISCAL YEAR 2014		
(continued)		
Name	County	Unique Clients
MCLEOD	43	22
MAHNOMEN	44	3
MARSHALL	45	10
MARTIN	46	8
MEEKER	47	32
MILLE LACS	48	23
MORRISON	49	42
MOWER	50	70
MURRAY	51	9
NICOLLET	52	7
NOBLES	53	2
NORMAN	54	3
OLMSTED	55	59
OTTER TAIL	56	8
PENNINGTON	57	11
PINE	58	56
PIPESTONE	59	7
POLK	60	91
POPE	61	6
RAMSEY	62	451
RED LAKE	63	4
REDWOOD	64	1
RENVILLE	65	23
RICE	66	62
ROCK	67	11
ROSEAU	68	12
ST. LOUIS	69	251
SCOTT	70	40
SHERBURNE	71	62
SIBLEY	72	23
STEARNS	73	57
STEELE	74	24
STEVENS	75	5
SWIFT	76	11
TODD	77	29
TRAVERSE	78	4
WABASHA	79	21
WADENA	80	24
WASECA	81	19
WASHINGTON	82	160
WATONWAN	83	15
WILKIN	84	1
WINONA	85	31
WRIGHT	86	60
YELLOW MEDICINE	87	17
Leech Lake	0A4	4
White Earth	0B2	4
Total		4,085
Note: Total Unduplicated count for AC for SFY 2014 is 4073		
The client count for the table below is slightly higher		
as some clients resided in more than one county.		
Source: Minnesota Department of Health and Human Services		